

## Convictions of Members of Transnational Criminal Organizations and their Subsidiaries

January – March 2017

The prosecution of transnational criminal organizations is one of the highest priorities of the Department of Justice. Presidential Executive Order 13773, on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking, states that these groups “threaten[] the safety of the United States and its citizens” and “derive revenue through widespread illegal conduct, including acts of violence and abuse that exhibit a wanton disregard for human life.”

This report is provided in accordance with Section 3 (g) of the Executive Order, which states that “*in the interest of transparency and public safety, and in compliance with all applicable law, including the Privacy Act, issue reports at least once per quarter detailing convictions in the United States relating to transnational criminal organizations and their subsidiaries.*” This first quarterly report provides information pertaining to the number of convictions in investigations involving transnational criminal organizations as reported by the Organized Crime Drug Enforcement Task Forces (OCDETF), for the period beginning January 1, 2017 and ending March 31, 2017.

The OCDETF Program’s mission is to identify, investigate, and prosecute the transnational, national, and regional criminal organizations most responsible for the illegal drug supply in the United States, the diversion of pharmaceutical drugs, and the violence associated with the drug trade. These organizations include the international sources of supply of illegal drugs, their international and domestic transportation organizations, their regional and local distribution networks, their money launderers and financial infrastructure, and their violent enforcers. Targeted criminal networks typically engage in multiple forms of organized criminal activity in addition to drug trafficking, such as violence, terrorism, corruption, human smuggling, trafficking in persons, weapons trafficking, complex financial crimes, and other illegal activities that threaten the safety of our society and the security of our nation. OCDETF brings to bear the different authorities and expertise of its multiple component agencies<sup>1</sup> to disrupt and dismantle every component of these criminal networks through the formation of prosecutor-led, multi-agency task forces that conduct intelligence-driven, multi-jurisdiction investigations.

OCDETF data was selected for this first quarterly report, as the OCDETF Program was able to draw on existing data fields to provide immediate information on a subset of the prosecutions for the Department of Justice. The OCDETF Program maintains a Management Information System (MIS) to track investigations and the data necessary to evaluate Program performance. The data maintained reflects the results of the Program reported by the U.S. Attorneys’ Offices and participating agencies. OCDETF MIS case reporting forms contain data

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<sup>1</sup> OCDETF member agencies include, in addition to the federal prosecutors, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the State Department’s Diplomatic Security Service, the Drug Enforcement Administration, the Federal Bureau of Investigation, the U.S. Coast Guard, the U.S. Department of Labor Office of Inspector General, U.S. Immigration and Customs Enforcement, the U.S. Internal Revenue Service Criminal Investigation Division, the U.S. Marshals Service, the U.S. Postal Inspection Service, and the U.S. Secret Service.

from initiation of an OCDETF investigation through the closing of the case, including data regarding the nature of the targeted organizations. In future reports, statistics will be reported for additional components of the Department of Justice that prosecute transnational criminal organizations and subsidiary organizations.<sup>2</sup>

During the second quarter of Fiscal Year 2017, the OCDETF Program reported 421 convictions in cases targeting transnational criminal organizations, which is 42% of the total number of convictions reported during the quarter for the OCDETF Program. To calculate this data, OCDETF reported convictions in cases that involved one or more of the following factors:

- Target organization is linked to a Consolidated Priority Organization Target (CPOT)<sup>3</sup>;
- Target organization is linked to a Top International Criminal Organization Target (TICOT)<sup>4</sup>;
- Target organization is linked to a Threat Mitigation Working Group (TMWG) Targets<sup>5</sup>;
- Investigation involves international case coordination, *i.e.*, agents/prosecutors are coordinating some aspect of the case with foreign counterparts;
- A foreign law enforcement investigative agency is an active participant in the investigation;
- OCDETF prosecutors are working through the Office of International Affairs (OIA) to obtain foreign assistance in securing evidence or bringing targets/witnesses to the U.S., *e.g.*, Mutual Legal Assistance Treaty requests, letters rogatory, Provisional Arrest Warrants, extradition packages, expulsions, deportations, etc.;
- Investigation involves, or is derived from, a foreign judicialized wiretap; and
- Charges may include violations of 21 USC 952, 955, or 963; 46 USC 70503, 70506, or 70508; or 49 USC 80302, all of which address criminal activity outside the United States that impacts or is intended to impact the United States.

Examples of convictions in OCDETF cases occurring in the second quarter of Fiscal Year 2017 include:

In January, a South Texas businessman pled guilty to a money laundering conspiracy for using the U.S. banking system to help former governors from three Mexican states launder tens of millions of dollars of bribe money.

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<sup>2</sup> Department of Justice case reporting systems are being adjusted to better capture data relevant to this quarterly report. OCDETF's MIS is also adding several additional data fields that will provide more complete identification of cases targeting transnational criminal organizations; it is expected that this modification will increase the number and percentage of relevant OCDETF cases.

<sup>3</sup> CPOTS are the most significant criminal organizations and networks that impact the U.S. drug supply, including their attendant money laundering networks. All CPOTs are transnational criminal organizations based abroad.

<sup>4</sup> TICOT Targets are similar to CPOTs but focus on non-drug-centric transnational criminal organizations that impact the United States and are likely to be disrupted or dismantled through law enforcement activity.

<sup>5</sup> TMWG Targets are major transnational actors and their networks whose activities pose a national security and public safety threat to the United States deemed sufficient to require a whole-of-government approach, including, but not limited to, law enforcement efforts.

In January, a resident of Visalia, California was found guilty of conspiring to distribute \$1.9 million of controlled substances over the Internet using illicit online drug marketplaces to buyers throughout the United States and Australia.

In January, a resident of Culiacan, Mexico, was sentenced in Phoenix, Arizona to 25 years in federal prison for organizing the sale of multiple pounds of methamphetamine while incarcerated in the Arizona state prison system for drug trafficking.

In January, four members of a violent criminal enterprise pled guilty in San Diego to conspiring to operate an international drug trafficking, gambling and money laundering ring in the United States, Central and South America and Australia from 2012 to 2016.

In January, a resident of Piedras Negras, Mexico, was sentenced in San Antonio, Texas to 15 years in prison for trafficking hundreds of kilograms of cocaine obtained from the Los Zetas cartel.

In January, a resident of New York, New York was found guilty of using his music business as a front to distribute 100 kilograms of cocaine and more than 40 kilograms of heroin hidden in speakers, amplifiers, and copy machines.

In February, a Mexican national was sentenced to nearly 11 years in federal prison for conspiring to distribute methamphetamine from California to West Virginia.

In March, a resident of Acworth, Georgia, pled guilty in Fargo, North Dakota to distributing fentanyl and acetyl-fentanyl from Canada that resulted in serious bodily injury and death.

In March, a resident of Santa Rosa, California, pled guilty in San Francisco to participating in a drug conspiracy that distributed multiple kilograms of heroin over a period of seven months and laundering the proceeds of those sales.

In March, a Bahamian and a Jamaican were convicted in Washington, D.C. for conspiring to transport more than 2,400 kilograms of cocaine aboard U.S. registered aircraft from Colombia and Venezuela to Central America and the Caribbean for further distribution.