



Questions for the Record from Senator John Cornyn
U.S. Senate Caucus on International Narcotics Control
“Dirty Money: Chinese Organized Crime in Latin America”

December 9, 2025

Submitted to Mr. Ray Donovan:

1. In her written testimony, Dr. Felbab-Brown stated that “[a] good understanding of networks, identities, and relationships [of Chinese criminal groups] is woefully lacking across the region.”

a. Do you share this assessment, and if so, what actions would you recommend that the United States take to improve its ability to map the threat of Chinese criminal groups in Latin America?

I align with Dr. Felbab-Brown’s assessment: our current approach to Chinese criminal networks and intelligence operations in the Western Hemisphere is insufficient. While agencies like the DEA, FBI, and DHS collect significant data from their numerous criminal investigations, these efforts remain siloed. We lack a whole-of-government strategy to aggregate this intelligence and map these threats at a macro level. Moving forward, we must elevate these threats to a top-tier strategic priority, integrating cross-level law enforcement and intelligence agencies’ data to create a unified and effective response.



Questions for the Record from Senator Sheldon Whitehouse

U.S. Senate Caucus on International Narcotics Control

“Dirty Money: Chinese Organized Crime in Latin America”

December 9, 2025

Submitted to Mr. Ray Donovan:

1. The Corporate Transparency Act established a central registry of corporate beneficial ownership information in the United States. Earlier this year, the Treasury Department exempted all entities formed in the United States from disclosing their beneficial ownership, which would in effect exempt over 99% of entities originally covered by the law.

a. Are opaque shell and front companies, including those that are formed in the United States, often used by major international drug trafficking organizations and Chinese organized crime groups?

Yes, they are, particularly in two areas of their operations: money laundering and border activity. Chinese groups and major international drug trafficking organizations use shell and front companies to establish bank accounts that enable them to move large amounts of cash into and through financial institutions. Along the border, they streamline the operations of sending and receiving illicit goods, including precursor synthetic chemicals that make up fentanyl, methamphetamine, and other deadly opioids.

b. When your investigations came across opaque corporate structures, did this impede or slow them down?

Yes, it does impede the investigations, because not identifying the beneficial owner creates the challenge of identifying those ultimately responsible for the criminal activity.

2. Latin American drug cartels and corrupt officials notoriously stash their ill-gotten gains in U.S. real estate. U.S. real estate is a \$50 trillion market that currently has few anti-money laundering safeguards.

a. In your work, have you witnessed Latin American drug cartels and corrupt officials from the region stash their stolen wealth in American real estate?



Yes, I have. I have witnessed corrupt Mexican officials purchase property in Florida, and Chinese money laundering organizations (MLOs) who invest their drug proceeds—often in cash—into real estate throughout the Northeast, particularly in NYC. It is worth noting that these groups also invest in black market marijuana cultivation, where they buy farms and facilities to expand their production operations in places like Maine, Colorado, and Oklahoma.

3. Drug cartels, foreign adversaries, and terrorists are increasingly turning to cryptocurrencies to move their dirty money.

a. How do Chinese money laundering organizations and drug cartels use cryptocurrencies to launder money?

These organizations utilize cryptocurrencies, with a particular focus on stablecoins, to purchase illicit goods (including the precursor chemicals needed to produce fentanyl and methamphetamine), and to launder the associated illicit proceeds in an easy, effective, and rapid way.

Since cryptocurrencies were established, they have been highly attractive and rapidly adopted by criminal organizations across the globe due to their deregulated and decentralized nature. This early adoption gave them a significant operational advantage, allowing them to leverage and master the systems while governments and law enforcement agencies were still developing legislative and investigative frameworks. Today, the widespread presence of minimally scrutinized cryptocurrency ATMs in major cities further facilitates these activities.

b. As Congress considers establishing a regulatory framework for digital assets, why is it important to include robust anti-money laundering and counter sanctions evasion safeguards?

It is extremely important to establish robust safeguards because the underlying technology allows for concealed movement of illicit digital assets with minimal scrutiny. A key challenge is the disparity in regulatory systems: while the United States maintains a robust framework, many other nations either cannot or will not implement similar controls.

With cryptocurrency being a global currency, enforcement challenges and the need for safeguards are significantly heightened. Consider this: an unfriendly nation with weak central oversight and decentralized cryptocurrency can effectively vanish transactions into a “black hole” beyond regulatory reach without implementing strong counter sanctions.



This should be a top priority because not only is it in the best interest of our national security, but it will also ultimately help mature cryptocurrency into a viable and trusted means of global trade and economy.

The current landscape requires a shift in perspective: **it is no longer business as usual.**

4. Under current law, manifests for all modes of shipping must be reported to CBP, but CBP must only make ocean vessel manifests publicly available. Publicly available ocean manifests have helped uncover unsafe and illegal imports like fentanyl, counterfeit goods, and products made with Uyghur forced labor as well as sanctions evasion, illicit finance, and trade-based money laundering.

Limiting public disclosure to ocean vessel manifests is a relic of the past when most imports came by ship. Today, nearly half of the value of imports come either by air or land. Congress passed legislation in 1996 to make aircraft manifests publicly available, but it never took effect due to a technical drafting error.

The Manifest Modernization Act (S. 1259) I co-lead with Senator Cassidy would fix this by requiring public disclosure of air and land manifests.

a. How would this legislation help combat fentanyl and other drug trafficking and trade-based money laundering?

Aircraft cargo manifests currently represent one of the most significant vulnerabilities in our trade transportation infrastructure. This lack of transparency directly facilitates the movement of illicit drugs and precursor chemicals, which often bypass scrutiny and flow into thousands of domestic warehouses with virtually no oversight. This legislation would help to disrupt these supply chains and would set precedence in treating the modernization of cargo data as a critical pillar of national security and public safety.

U.S. Customs and Border Protection (CBP) requires significantly more resources, specifically non-intrusive imaging (NII) technology and additional personnel, to oversee the massive volume of cargo entering domestic warehouses. Rapid, high-tech scanning and human resources would allow the CBP to work more diligently and effectively across all modes of transportation (aircraft, vessels, railcars, etc.) without disrupting the pace of commerce.

This legislative effort is designed specifically to ensure the CBP has the visibility needed to intercept harmful commercial cargo. By investing in these modernized



security measures, we can provide law enforcement with the tools necessary to dismantle trafficking networks while ensuring that aircraft trade remains a secure and viable engine for the American economy.

5. During your tenure at DEA, did you work with the Organized Crime and Drug Enforcement Task Force (OCDETF) program?

Yes.

a. What was OCDETF's role in combating the methods of organized crime that were discussed at the hearing?

The primary function of the OCDETF was to incentivize collaboration among federal law enforcement partners, and to coordinate investigations into high-level transnational organized crime groups, with the goal of shutting these groups down for good. OCDETF provided critical prosecutorial leads, dedicated funding, and a unified strategy across multiple U.S. Attorneys' offices and multiple law enforcement agencies. By consolidating these resources, the program ensured a more powerful and successful outcome against complex global criminal networks.

b. What parts of OCDETF were successful?

The success of the OCDETF model was rooted in its **strategic prioritization**. By integrating Department of Justice prosecutorial units directly with law enforcement agencies, the program ensured that every investigation was aligned with national security objectives. This high-level coordination transformed fragmented field data into a unified, prosecutor-led strategy that dismantled criminal organizations more effectively than traditional, siloed investigations.

c. What parts of OCDETF could have been more successful?

The limitations of the OCDETF program became apparent when the organization moved away from its central mission. The failure to maintain a unified, whole-of-government approach toward strategic, high-impact priorities was a critical flaw. This was exacerbated by the OCDETF Fusion Center's push for independence, which undermined the essential collaborative and coordinated strategy necessary to combat complex transnational crime.

d. What is your assessment of the Trump administration's decisions to disband OCDETF and reassign its responsibilities?

A comprehensive revamp of the OCDETF program was appropriate, though its outright disbandment was not worthwhile. Its strength was in the Department of Justice and U.S. Attorneys acting as a central, objective organizing body to coordinate efforts and mediate across agencies; when these responsibilities shifted to the Department of Homeland Security, it created inevitable, interagency friction. The current system now lacks a clear central authority, leading to a less effective way of aligning tens of thousands of criminal investigations with key strategic priorities, The White House, and other stakeholders.

e. What are impediments to interagency investigations into complex organized crime? What can Congress do to remove those impediments?

The primary impediments to interagency investigations into complex organized crime are deep, systemic issues: a lack of transparent data sharing, constant friction from overlapping mandates, and a hyper-competitive environment driven by disparate agency budgets and the natural desire for recognition. Historically, coordination succeeded when a central, objective body (OCDETF or DEA Special Ops Division) mediated these efforts. However, the recent shifts in authority have replaced organic partnerships with forced collaborations and institutional survivalism.

Ultimately, successful investigations rely on the fundamental reality of human nature: effective partnerships are built on trust and mutual respect, not through administrative force. When agencies are coerced into collaboration while being forced to compete for funding and recognition, they naturally prioritize their individual survival over the collective mission. To resolve this, Congress should reestablish a centralized, objective coordinating body and provide it with the funding and technical capacity to integrate large-scale data from partnering agencies. By shifting away from a hierarchy of missions and toward an incentive-based "win-win" model, we can restore the genuine cohesion and trust necessary to dismantle sophisticated criminal networks effectively.

6. What specific steps can the government take to improve investigations into the illicit financial networks that criminals use?

The first step would be to make financial investigations into criminal organizations a strategic priority for the Department of Justice and the Department of Homeland Security. As a strategic priority, this would organically be elevated in status, and more resources and capacity would be directed toward the threat.



a. During your career, what impediments did you encounter or observe with respect to these investigations?

The biggest impediment was a lack of resources, capacity, and expertise from the U.S Attorney's office. Without these key pieces of partnership and support, we could not pursue investigations at our full potential.

b. What tools and resources were most effective in these investigations?

The effectiveness of these investigations hinged on the U.S. Treasury's authority, platforms, and the ability to leverage Significant Activity Reports (SARs) for data analysis. The DEA Special Ops Division provided the essential funding and technical capacities (especially when navigating the evolving digital assets sector), which enabled data scientists to analyze extensive financial data to pursue fraud, money laundering, and drug trafficking crimes in financial institutions.

However, the effectiveness of these tools is directly tied to national focus. Making financial crime a high-level strategic priority ensures these powerful tools and resources naturally shift in that direction.