**Senator Grassley Opening Remarks  
Senate Drug Caucus Hearing**

**“The Role of the Federal Government in Attacking the Financial Networks of Cartels”**

**July 12, 2022**

Today’s hearing offers an important opportunity to continue our focus on drug trafficking organizations and how to combat them.

The revenue generated by cartels is massive. The illicit drug market’s valued in the hundreds of billions of dollars per year, with no signs of slowing down.

Once cartels get their hands on dirty money, it’s quickly moved and laundered so criminals can profit from their crimes.

The dirty money cartels count on is part of a larger international financial network. Cartels are known to partner with professional money laundering organizations, including those based in China, to execute and profit from their criminal schemes.

Drug trafficking organizations also launder money through the American financial system in new ways, including:

* E-commerce
* Cryptocurrency, and
* Convoluted shell companies

Following and targeting the money is an important piece of the fight against cartels and the scourge of drug trafficking.

But, we can’t minimize the importance of drug enforcement and stopping the supply of drugs into our country. After all, money laundering doesn’t exist without drug trafficking.

Our drug crisis has been fueled by the steady flow of deadly drugs, including fentanyl, across our borders. Just this weekend, a record 5,000 pounds of meth was seized in southern California. And this results in tens of thousands overdose deaths in America each year.

Precursor chemicals for lethal drugs like fentanyl and methamphetamine are produced in China and shipped to Mexico where Mexican cartels make the fentanyl. The deadly drugs are then taken across our southwest border where they’re distributed throughout our land.

This triangle of death among China, Mexico, and the United States shows that organized drug traffickers don’t respect or stop at international borders in pushing their deadly trades.

Dirty drug money also motivates and empowers cartels to commit crime that is more violent and spreads corruption. Drug trafficking organizations use dirty money to buy aerial drones so that they can fly deadly drugs across our border, which is why I introduced the bipartisan *Drone Act of 2022* to combat this new threat, which our colleague Senator Hassan cosponsors.

It’s clear that we need more tools to fight sophisticated transnational criminal organizations. We can do this by modernizing and strengthening our laws to beef up our drug enforcement and money laundering tools.

Earlier this year, I reintroduced the *Combating Money Laundering, Terrorist Financing, and Counterfeiting Act of 2022*. I’m glad to say that Senator Whitehouse is my Democratic lead sponsor, and that Senator Cornyn is an original cosponsor. This legislation would improve law enforcement’s ability to investigate and prosecute criminals that launder money through our financial system.

With us here today are witnesses from two agencies: the State Department and the Treasury Department. I’m thankful to Senator Whitehouse for arranging for these witnesses to be here. I also appreciate that Senator Whitehouse and I coordinated to have a DOJ witness here, but DOJ refused to send a witness.

I’m disappointed that the Department of Justice – the key federal agency charged with investigating and prosecuting drug and money laundering crimes – refused to send a witness to this important hearing.

Thank you to our witnesses who are here today, and I look forward to hearing your testimony.