

**Statement of Ambassador Todd D. Robinson  
Assistant Secretary of State for  
International Narcotics and Law Enforcement Affairs  
Before the  
Senate Caucus on International Narcotics Control:  
“The Role of the Federal Government in Attacking  
the Financial Networks of Cartels”  
July 12, 2022**

Chairman Whitehouse, Co-Chairman Grassley, and distinguished Members of the Caucus, thank you for the opportunity to testify before you today regarding INL’s efforts to attack the financial networks of cartels. Addressing the issue of illicit finance related to cartels is essential to disrupt transnational organized crime and reduce the devastating impact of illicit narcotics in the United States.

Countering illicit finance is integral to INL’s mission: to keep Americans safe by countering threats from crime, illegal drugs, and instability abroad. Since its inception in 1978, INL’s problem set has evolved from one of limited scope, primarily focused on drug cartels trafficking cocaine from South America to the United States, to a complex one, encompassing evolving threats from transnational criminal organizations and cartels. These cartels have also modernized and diversified, financing their criminal enterprises with not only plant-based drugs but also precursor chemicals and highly profitable synthetic drug manufacture and transport, human trafficking and smuggling, scamming and network hacking, illicit mining and trafficking of wildlife and natural resources, and corruption. They have access to global supply chains and markets, while maintaining their local influence, particularly in areas with weak governance structures, backlogged courts, high crime, and economic instability.

The result has been devastating. Fentanyl, a synthetic opioid, kills more Americans than all other foreign threats combined, representing most of the nearly 108,000 drug overdose deaths in the United States last year. According to the CDC, drug overdoses related to synthetic opioids are now the leading cause of death for Americans aged 18-45, with the majority attributed to fentanyl. Most of the illicit fentanyl consumed in the United States is manufactured in or trafficked through Mexico, but the challenge of chemical control is global.

The through-line to all of it is *money*. As INL’s mandate becomes more complex, tackling illicit financial flows is one of the most effective tools to assist our international partners in countering the advances of criminal groups, cartels, and corrupt actors. It is why the Administration’s strategy to beat the opioid epidemic

calls for expanding access to treatment while working with other nations to reduce drug trafficking by making it more costly for transnational criminal organizations.

## **1. INL's Illicit Finance Approach**

INL prioritizes foreign assistance to combat money laundering and other illicit finance through technical programming, multilateral engagement, and anti-corruption efforts. The Administration's U.S. Strategy on Countering Corruption emphasizes shoring up international financial systems to prevent corrupt actors from hiding their illicit proceeds. INL is charged with leading efforts with partner nations to improve their anti-money laundering regimes, in close coordination with other U.S. government agencies.

Over the last three fiscal years INL has programmed and implemented approximately \$85 million in funds to address illicit finance related to narcotics, including approximately \$34 million for FY 2018; \$22 million for FY 2019; and \$29 million for FY 2020.

INL counters illicit finance through four main prongs. First, INL, along with the Departments of Treasury and Justice and other U.S. government partners, supports the effective implementation of standards from bodies such as the international engagements led by Treasury at the Financial Action Task Force (FATF). Second, we work with partner governments and a range of other experts through bilateral and multilateral programs to strengthen legal and regulatory regimes and reduce vulnerabilities. Third, INL provides technical expertise to enable partners to respond to emerging illicit finance threats, including digital assets such as cryptocurrencies, as well as vulnerable sectors like online gambling and illicit mining. Finally, INL manages corruption-related visa restrictions to target individuals connected with illicit finance as well as programs to champion anti-corruption efforts to fight transnational organized crime. These tools complement INL's efforts to provide foreign policy guidance and target prioritization for a variety of financial sanctions regimes managed by the Department of the Treasury's Office of Foreign Assets Control.

## **2. INL Programs Tackle Illicit Financial Networks and Cartels**

INL counters illicit financial flows through bilateral, regional, and global programs. These are designed to help partner nations increase their criminal justice capacities and expand their ability to work with each other and the United States. INL prioritizes countries with acute money laundering vulnerabilities and specific

capacity requirements as well as conditions that permit effective programming, including political will.

Our bilateral programs train and equip partner government financial intelligence units and criminal justice actors to counter illicit finance operations. INL's six International Law Enforcement Academies offer courses on countering money laundering and other financial crimes. Our global anti-money laundering (AML) programs help countries target vulnerable sectors, enhance preventive measures, counter emerging risks, and build international cooperation.

### **Western Hemisphere**

In the Western Hemisphere, INL assistance promotes effective justice systems and counters illicit finance networks, including those connected to newer cartel revenue sources like illicit mining. INL focuses on programs related to civil asset forfeiture, a powerful tool to thwart cartels and combat corruption, enabling law enforcement to bring actions against property that is derived from or used to commit a criminal offense, separately from or as a complement to securing a criminal conviction.

#### *Mexico: Shared Responsibility for Disrupting Illicit Financial Networks*

The U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities, launched in October 2021, includes joint objectives to target and disrupt illicit financial networks and prosecute financial crimes and related corruption. In December, INL concluded its basic AML training and certification course for over 2,400 Mexican officials from all 32 states and federal partners, increasing the capacity of state and federal investigators to address money laundering throughout Mexico.

#### *Colombia: Countering Cartels through the Courts*

INL's AML programming in Colombia is key to our holistic counternarcotics strategy. INL partners with the U.S. Department of Justice to mentor the Colombian Attorney General's Office, National Police, and Financial Intelligence and Analysis Unit to increase the effectiveness of investigations and asset forfeiture cases. Since April 2020, our work with a Department of Homeland Security vetted unit focused on trade-based money laundering has yielded the arrest of 37 individuals involved in related violations, four of which were related to public corruption activities; seizures of 3,097 kg in narcotics; and seizures of over \$25 million in real estate, counterfeit products, and contraband. INL is also working to enable a certification program for over 22,000 compliance officers in Colombian financial institutions to better detect and report financial crimes.

*Peru: Combating Alternative Criminal Revenue Sources*

In Peru, we provide the justice sector with technical assistance to investigate financial crimes, administer seized assets, and shut down illegal gold mining, which funds cartels. We are seeing results in our support for Peru's asset forfeiture system, which has seized \$43 million in assets since 2019. These outcomes can be directly related to INL's asset forfeiture mentoring program and to their continued efforts in capacity building and donations to asset forfeiture prosecutors, judges, and police.

*Panama: An Integrated AML and Anti-Corruption Task Force Model*

INL's program in Panama is an important bilateral partnership with the host government and a coordinated U.S. government partner effort. As part of a five-year interagency agreement with the FBI, we helped integrate a vetted interagency AML/Anti-Corruption Task Force to combat transnational crime. The Task Force enables Panama's AML agencies to collaborate on investigating and prosecuting cases under the mentorship of experienced U.S. subject matter experts. The number of active investigations by the FBI-mentored Panamanian interagency Task Force climbed rapidly since the Task Force was established in September 2020 and Panamanian commitment remains strong.

*The Caribbean: Countering Transnational Crime with Civil Asset Forfeiture*

INL has partnered with the National Center for State Courts to provide counter-financial crimes assistance throughout the Caribbean since 2013. This includes drafting and passing new model legislation on civil asset forfeiture to recover criminal proceeds in seven countries and the use of asset seizure orders to target transnational criminals. As a result of INL's technical assistance provided to support this legislation, Caribbean Basin Security Initiative (CBSI) partner nations have successfully forfeited \$3.5 million in cash and property, some of which has been reinvested to support criminal justice sector institutions. As of June 2022, our financial crimes team is assisting Barbados and the Eastern Caribbean with more than 41 cases and approximately \$64 million in pending actions; an estimated \$3 million in cash is detained pending civil cash forfeiture actions in multiple countries.

**Asia-Pacific**

The United Nation's Office on Drugs and Crime estimates the illicit drug trade in the Asia-Pacific region to be worth \$60 billion annually. In response to the surge in drug trafficking and resulting illicit proceeds, INL has focused on increasing AML assistance to East and Southeast Asia to investigate, prosecute, and adjudicate financial crime, money laundering, and drug trafficking.

*China: Money Laundering Organizations:*

People's Republic of China (PRC)-based criminal organizations utilize trade-based methods and mirror currency swaps to evade PRC controls on currency transfers out of China and launder proceeds of the North American drug trade. These transfers remain difficult to monitor and investigate, and the global role of these organizations appears to be rising. INL and the Drug Enforcement Administration continue to seek cooperation with the PRC to investigate and prosecute these networks.

**Multilateral Efforts**

INL leverages multilateral anti-corruption bodies, including in the United Nations, Organization of American States, Asia-Pacific Economic Cooperation, and G20, to press countries to implement anti-corruption and AML obligations and standards. We coordinate with the Bureau of Economic and Business Affairs in its role as the Department's lead on money laundering policy; the Bureau also represents the Department in the U.S. FATF delegation.

**3. INL's Priorities Moving Forward: Illicit Finance and Corruption**

Illicit financing and corruption are interdependent and transnational in nature, a point strongly reinforced in the U.S. Strategy on Countering Corruption, the National Drug Control Strategy, and related guidance to agencies. Foreign assistance programs related to preventive AML measures, more transparent beneficial ownership regimes, and enhanced transparency in real estate transactions are key parts of INL's anti-corruption programming. To complement and reinforce our diplomacy and assistance, INL will aggressively deploy the deterrence tools granted us by Congress to discourage high-level corruption and support the work of law enforcement. These tools include anti-corruption visa restriction authorities, reward programs targeting key criminal networks and leaders, and support to the Department of the Treasury to implement financial sanctions programs under its authority.

INL's efforts to strengthen country systems are enhanced by intergovernmental bodies like FATF and international cooperation, including with the United States. We support international efforts within existing regulations to make it harder for financial system gatekeepers, like lawyers, accountants, and other service providers, to evade scrutiny.

Cartels and transnational criminals will continue to advance their use of technology and develop new means to launder money. Consistent with the President's Budget Request, INL needs resources flexible enough to outpace these evolving threats. We must remain nimble in our ability to meet emerging and future money laundering and other illicit financing operations. We are confident that U.S. investment in building partner capacity results not only in stronger laws and more robust institutions, but also in improved case outcomes that ultimately help save lives and keep Americans safe at home.

I look forward to working with Congress on these important issues.