

Treasury Targets Fentanyl Traffickers and Other Key Contributors to U.S. Opioid Crisis

Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned a network of nine Mexican nationals involved in fentanyl, heroin, and other deadly drug trafficking and money laundering. Individuals designated in this network also engage in human smuggling in furtherance of their drug trafficking activities. Additionally, as members of the Cartel Jalisco Nueva Generacion (CJNG), some of the individuals sanctioned today played a prominent role in the early stages of the U.S. opioid crisis, a leading factor driving the United States' modern fentanyl crisis. CJNG is a violent Mexico-based drug trafficking organization responsible for a significant proportion of fentanyl and other deadly drugs trafficked into the United States.

BRIEF HISTORY OF THE U.S. OPIOID CRISIS

According to the final report of the congressionally established, bipartisan U.S. Commission on Combating Synthetic Opioid Trafficking published by the RAND Corporation in February 2022, the rise in illicit fentanyl and other synthetic opioid misuse and related deaths has its origins in the U.S. Food and Drug Administration's approval of the prescription opioid painkiller OxyContin in 1995. Starting in the mid-1990s, OxyContin and other prescription opioids were falsely marketed as nonaddictive treatments for pain. As a result, prescription opioid dependence and addiction increased dramatically in the United States. This dependence created a market opportunity for traffickers and other criminals to exploit as people with substance-use disorders, unable to continue obtaining prescription drugs, often turned to heroin.

In particular, heroin traffickers, like the "Bonques Brothers" designated today, from Xalisco, Nayarit, Mexico were among the first to successfully exploit the opioid-addicted market in the United States in the 1990s. Xalisco is a Mexican municipality near the Pacific Coast where poppies grow well.

BUSTING THE BONQUES BROTHERS

The "Bonques Brothers" are an influential group of heroin and cocaine trafficking associates from Xalisco, Nayarit, Mexico, led by **Roberto Castellanos Meza** (Castellanos Meza) (a.k.a. Beto Bonques) and composed of brothers **Ivan Atzayacatl Castaneda Meza**, **Giovanni Castaneda Meza**, and **Juan Carlos Castaneda Meza**. As members of CJNG, the "Bonques Brothers" are close associates of OFAC designees, Ruben Oseguera Cervantes (a.k.a. "El Mencho") and Audias Flores Silva (a.k.a. "El Jardinero"), CJNG leader and CJNG regional commander of Nayarit, respectively. The "Bonques Brothers" were among the prominent heroin trafficking families from Xalisco, Mexico that had made their way into California by the early 1990s and were, therefore, well-positioned to exploit a U.S. market expanded by prescription drugs.

OFAC designated Roberto Castellanos Meza, Giovanni Castaneda Meza, Ivan Atzayacatl Castaneda Meza, and Juan Carlos Castaneda Meza pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

THWARTING FENTANYL FACILITATORS

Jose Adrian Castillo Lopez (Castillo Lopez) is among those supplied with heroin by Roberto Castellanos Meza. Based in Pantanal, Nayarit, Mexico, Castillo Lopez works on behalf of CJNG and is the current plaza

boss for the Tepic, Xalisco, and Pantanal areas of Nayarit, Mexico. He is known to supply narcotics to drug trafficking networks operating in Colorado, Nevada, and California.

Working directly for Castillo Lopez, **Luis Alonso Navarro Quezada** (Navarro Quezada) is also based in Pantanal, Nayarit, Mexico, and is involved in fentanyl and other drug trafficking, money laundering, and human smuggling. He maintains drug distribution networks in Colorado, Nevada, and California. On November 15, 2023, a federal grand jury in the U.S. District Court for the District of Colorado returned an indictment against Navarro Quezada, charging him with 108 counts, including multiple charges related to the distribution of over 3,240 grams of fentanyl between April 3, 2023 and November 14, 2023. Navarro Quezada's other charges included distribution of heroin, methamphetamine, and cocaine as well as laundering proceeds derived from fentanyl and other drugs. According to the indictment, members involved in the conspiracy moved drug proceeds from Colorado to Navarro Quezada in Mexico via wire transfers, using different names and addresses to conceal their identities.

Navarro Quezada's wife, **Erandiny Jazmin Arias Ponce** (Arias Ponce), is one of Navarro Quezada's conspirators who has assisted with the collection and transfer of drug profits.

OFAC designated Castillo Lopez, Navarro Quezada, Arias Ponce, Castillo Peinado, and Castro Alvarez pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. U.S. persons may face civil or criminal penalties for violations of E.O. 14059 and the Kingpin Act. Non-U.S. persons are also prohibited from causing or conspiring to cause U.S. persons to wittingly or unwittingly violate U.S. sanctions, as well as engaging in conduct that evades U.S. sanctions. OFAC's Economic Sanctions Enforcement Guidelines provide more information regarding OFAC's enforcement of U.S. sanctions, including the factors that OFAC generally considers when determining an appropriate response to an apparent violation.

Dated 19th November, 2024

