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FinCEN Targets Money Laundering Infrastructure with Geographic Targeting Order in Miami

'GTO' Addresses Trade-Based Money Laundering Activity Involving Drug Cartels

WASHINGTON, DC – The Financial Crimes Enforcement Network (FinCEN) issued a [Geographic Targeting Order](#) (GTO) today to about 700 Miami businesses to shed light on cash transactions that may be tied to trade-based money laundering schemes. These complex schemes are a primary method used by drug cartels, including the Sinaloa and Los Zetas, to launder their illicit proceeds. FinCEN's order is aimed at disrupting the illicit financial infrastructure upon which these drug trafficking organizations rely.

FinCEN, in coordination with U.S. Immigration and Customs Enforcement's Homeland Security Investigations (HSI) and Miami Dade State Attorney's Office South Florida Money Laundering Strike Force, issued the GTO on electronics exporters located near Miami, Florida. Law enforcement investigations reveal that many of these businesses are exploited as part of sophisticated trade-based money laundering schemes in which drug proceeds in the United States are converted into goods that are shipped to South America and sold for local currency, which is ultimately transferred to drug cartels. This GTO enhances the transparency of the covered businesses' transactions; it does not make any determination about their knowledge or lack thereof of the money laundering schemes.

In general, a nonfinancial trade or business that receives more than \$10,000 in currency in a single transaction or multiple related transactions is required to file a Form 8300 with FinCEN. The GTO, which will be in effect for 180 days beginning on April 28, 2015, lowers the \$10,000 reporting threshold to \$3,000 for covered businesses. These businesses are required to report to FinCEN currency transactions over \$3,000, and to include in those reports information about the transaction and the persons involved. Each business covered under this GTO has received notice of its obligations via personal service or by certified mail. Failure to comply could result in

substantial criminal and civil penalties. The enhanced financial transparency provided by the GTO will bolster law enforcement's ability to identify and prosecute the money launderers who service drug trafficking organizations and other criminal networks.

“When we issued a similar GTO in the Los Angeles area last year, many speculated about whether we'd be doing the same in other parts of the country,” said FinCEN Director Jennifer Shasky Calvery. “We are committed to shedding light on shady financial activity wherever we find it. We will continue issuing GTOs, as necessary, as well as exercising FinCEN's other unique anti-money laundering authorities, to ensure a transparent financial system that impedes money launderers and other criminals from masking their identity and illicit activity.”

Executive Associate Director for Homeland Security Investigations, Peter Edge noted, “A GTO is one of many tools available in the fight against money laundering. Past successes show that GTOs can be effective in exposing criminal organizations using legitimate financial institutions and businesses to facilitate their illicit dealings. Homeland Security Investigations is dedicated to disrupting these activities and dismantling these organizations to protect the security of the nation's financial infrastructure.”

Businesses covered by the GTO have been served a copy of the order and must begin complying on April 28, 2015. A copy of the order may be found [here](#). Any questions about the order should be directed to the FinCEN Resource Center at 800-767-2825.

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FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.