

# IMPACT REPORT

MARCH 2007



## ECONOMIC SANCTIONS AGAINST COLOMBIAN DRUG CARTELS



OFFICE OF FOREIGN ASSETS CONTROL

# IMPACT REPORT

## Economic Sanctions Against COLOMBIAN DRUG CARTELS



Office of Foreign Assets Control  
U.S. Department of the Treasury

**March 2007**  
[www.treas.gov/ofac](http://www.treas.gov/ofac)



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

## STATEMENT FROM THE DIRECTOR OF THE OFFICE OF FOREIGN ASSETS CONTROL

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Treasury's Office of Foreign Assets Control ("OFAC") integrates regulatory, national security, investigative, enforcement, and intelligence elements towards a single goal: effective implementation of economic sanctions programs against foreign threats and adversaries. OFAC currently administers and enforces more than 30 economic sanctions programs pursuant to Presidential and Congressional mandates,<sup>1</sup> targeting select foreign countries and regimes, terrorist organizations, proliferators of weapons of mass destruction, and narcotics traffickers. OFAC acts under general Presidential wartime and national emergency powers, as well as specific legislation, to prohibit transactions and freeze (or "block") assets within the United States or in possession or control of U.S. persons, including their foreign branches. These programs are administered in conjunction with diplomatic, law enforcement and occasionally military action. Since 1995, the Executive Branch has developed an array of "targeted" sanctions programs that focus on drug cartels and traffickers, international terrorist groups, proliferators of weapons of mass destruction, members of hostile regimes, and other individuals and groups whose activities threaten U.S. interests.

Narcotics traffickers operating on a global scale require an extensive support network, including procurement, logistics, transportation, communications, security, money laundering, and other facilitation. Disguising the sometimes vast profits derived from major drug operations requires the purchase of ostensibly legitimate enterprises capable of handling business on an international scale. These illicitly funded "corporate empires" can be extensive, complex, and undermine the integrity of financial systems. They are also one of the drug cartels' greatest vulnerabilities.

To combat the threats of violence, corruption, and harm posed by narcotics traffickers and their networks, President Clinton signed Executive Order 12978 in October 1995, declaring a national emergency with respect to significant foreign narcotics traffickers centered in Colombia.

The impact of these sanctions has been significant and, at times, dramatic. When OFAC designates an individual or entity, any assets within the United States or the possession or control of a U.S. person anywhere in the world, must be frozen. Trade with or through the United States is cut off. Moreover, many non-U.S. businesses and banks have voluntarily severed all ties with individuals and entities that OFAC has listed. As a result, designated persons may lose access to their bank accounts outside the United States, disrupting their operations and freedom of access. Finally, in many cases, Colombian authorities have taken law enforcement actions against designated companies or properties after OFAC listed them. Collectively, these actions have

1. Some of these programs are no longer in effect but still require some residual administrative and enforcement activities.

disrupted more than \$1 billion worth of assets—in blockings, seizures, forfeitures, and the failure of enterprises—and economically isolated the individuals who own and manage the enterprises. The Director of the Office of National Drug Control Policy (“ONDCP”), in fact, stated that OFAC’s efforts have resulted in “the forfeiture of billions of dollars worth of drug-related assets.”

This report reviews the SDNT program’s achievements over the past 11 years, as it has targeted the leaders of Colombia’s Cali, North Valle, and North Coast drug cartels. It is our hope that the report will provide a useful window into the history and achievements of this program, as well as lessons for refining sanctions targeting and implementation in the future in this and other programs.

Adam J. Szubin  
Director  
Office of Foreign Assets Control

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## ACRONYMS USED IN THIS IMPACT REPORT

a.k.a.	Also known as
AUC	United Self Defense Forces of Colombia ( <i>Autodefensas Unidas de Colombia</i> )
CFR	Code of Federal Regulations
DEA	Drug Enforcement Administration
E.O.	Executive Order
f.k.a.	Formerly known as
FBI	Federal Bureau of Investigation
FNK	Foreign Narcotics Kingpin
ICE	U.S. Immigration and Customs Enforcement
IEEPA	International Emergency Economic Powers Act
n.k.a.	Now known as
OFAC	Office of Foreign Assets Control
ONDCP	Office of National Drug Control Policy
RICO	Racketeer Influenced and Corrupt Organization Act
SDGT	Specially Designated Global Terrorist
SDN	Specially Designated Nationals
SDNT	Specially Designated Narcotics Traffickers
SDNTK	Specially Designated Narcotics Traffickers Kingpins
USC	United States Code

## ACRONYMS OF BUSINESS TYPES

A.V.V.	Aruba Vrijgestelde Vennootschap ( <i>Aruban Exempt Corporation</i> )
Cia.	Compañía ( <i>Company</i> )
E.U.	Empresa Unipersonal ( <i>Sole Proprietorship</i> )
Ltda.	Limitada ( <i>Limited</i> )
S. de H.	Sociedad de Hecho ( <i>De Facto Partnership</i> )
S. en C.	Sociedad en Comandita ( <i>Limited Partnership</i> )
S.A.	Sociedad Anónima ( <i>Corporation</i> )
S.A. de C.V.	Sociedad Anónima de Capital Variable ( <i>Variable Capital Company</i> )
S.C.A.	Sociedad en Comandita por Acciones ( <i>Limited Partnership by Shares</i> )
S.C.S.	Sociedad en Comandita Simple ( <i>Limited Partnership</i> )

# OVERVIEW OF SDNT COLOMBIA PROGRAM

President Clinton issued Executive Order 12978, “Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers,” on October 21, 1995, under authority of the International Emergency Economic Powers Act (“IEEPA”). The Executive Order found that the activities of significant foreign narcotics traffickers centered in Colombia and the unparalleled violence, corruption, and harm that they caused, constituted an unusual and extraordinary threat to the national security, foreign policy and economy of the United States. The Executive Order called upon the Treasury to target Colombian drug cartels using financial sanctions. Under this authority, OFAC launched the Specially Designated Narcotics Traffickers (“SDNT”) program on October 24, 1995. The objectives of the SDNT program are to isolate and incapacitate the businesses and agents of the Colombian drug cartels by publicly exposing them, freezing their assets, and denying them access to the financial system and to the benefits of trade and transactions involving U.S. businesses and individuals.<sup>2</sup>

## SDNT LIST

OFAC’s principal tool for implementing these sanctions against narcotics traffickers is its list of Specially Designated Narcotics Traffickers.<sup>3</sup> OFAC works in close consultation with the U.S. Departments of Justice and State to develop this list. It names not only the principal leadership of targeted drug cartels, but also their businesses and associates. At the outset of the program, the list included the four Cali drug cartel kingpins named in the Annex to Executive Order 12978, Gilberto and Miguel RODRIGUEZ OREJUELA, Jose SANTA-CRUZ LONDOÑO, and Helmer HERRERA BUITRAGO. Beginning in 1998, OFAC expanded the SDNT list beyond the Cali drug cartel and it

## EXAMPLE OF SDNT LISTING

JAAR JASSIR, Ricardo (a.k.a. JAAR JACIR, Ricardo), c/o ALMACAES S.A., Bogota, Colombia; c/o CONFECCIONES LORD S.A., Barranquilla, Atlantico, Colombia; c/o CORPORACION DE ALMACENES POR DEPARTAMENTOS S.A., Bogota, Colombia; c/o GIMBER INVESTING CORPORATION, Virgin Islands, British; c/o G.L.G. S.A., Bogota, Colombia; c/o ILOVIN S.A., Bogota, Colombia; c/o JACARIA FLORIDA, INC., Miami, FL; c/o RAMAL S.A., Bogota, Colombia; DOB 29 Sep 1940; POB Barranquilla, Colombia; citizen Colombia; Cedula No. 3714973 (Colombia); Passport AF665413 (Colombia) (individual) [SDNT]  
JACARIA FLORIDA, INC., 1149 SW 27th Avenue Suite 203, Miami, FL 33135; 9400 South Dadeland Boulevard Suite 601, Miami, FL 33156; US FEIN 592804133 (United States) [SDNT]

Please refer to OFAC’s website for complete listings ([www.treas.gov/ofac](http://www.treas.gov/ofac)).

2. The Order further prohibits any transaction or dealing by a U.S. person or within the United States in property or interests in property of persons designated pursuant to the Order, and any transaction that evades or avoids, has the purpose of evading or avoiding, or attempts to violate, the prohibitions contained in the Order. This impacts trade transactions (involving, for example, letters of credit) as well as accounts and other assets.
3. Another narcotics sanctions program was created on December 3, 1999, when the Foreign Narcotics Kingpin Designation Act (“Kingpin Act”) was signed in to law. The Kingpin Act was modeled by Congress after the highly effective Colombian SDNT program, targeting the activities of significant foreign narcotics traffickers and their organizations on a worldwide basis. As with E.O. 12978, OFAC is the lead agency for implementation of the Kingpin Act. Those designated under the Colombian SDNT program are listed as “[SDNT]” on OFAC’s “Specially Designated Nationals and Blocked Persons” list and those designated under the Kingpin Act are referred to as Specially Designated Narcotics Traffickers Kingpins “[SDNTK]” to differentiate the two programs. This report addresses only the Colombian SDNT program.

now includes the leaders, associates, and businesses of other Colombian drug cartels, such as the North Valle and North Coast drug cartels.

As of December 31, 2006, the SDNT list includes 527 companies and 815 individuals involved in the ownership or management of the 21 Colombian drug cartel leaders' business empires. The businesses named as SDNTs range across industries and include drugstore chains, a super-market chain, pharmaceutical laboratories, airlines, a medical clinic, hotels, restaurant service companies, radio stations, sports teams, communications companies, construction firms, real estate firms, investment and financial companies, consulting companies, off-shore firms, horse breeding farms and other agricultural businesses, mining operations, maritime agencies, and a department store.

## CRITERIA

Companies and individuals may be identified as SDNTs and placed on the SDNT list if they are determined to:

- play a significant role in international narcotics trafficking centered in Colombia;
- materially assist in or provide financial or technological support for, or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to the executive order; or
- be owned or controlled by, or act for on or behalf of, persons designated in or pursuant to Executive Order 12978.

## BLOCKING

U.S. individuals and companies are prohibited from engaging in unlicensed transactions, including any commercial or financial dealings with any of the SDNTs. Upon designation as an SDNT, all SDNT assets within the United States or in the possession or control of U.S. persons, including their foreign branches, are blocked. This includes bank accounts and other property and interests in property.

## LICENSING AUTHORITY

When determined to be in the interest of U.S. foreign policy, OFAC may license activities to mitigate the effect of sanctions. For example, after OFAC designated *Drogas La Rebaja*, Colombia's largest chain of drugstores, the Colombian Government seized the company and appointed a receiver to manage its more than 449 stores across the country. OFAC then established a licensing policy to allow U.S. suppliers to engage in transactions with these companies, thus preserving their commercial viability under Colombian Government control.

## LEGAL CHALLENGES

OFAC sanctions in U.S. courts have been consistently upheld when challenged by SDNTs. The SDNT company *Copservir* filed a lawsuit in the U.S. District Court for the District of Columbia in April 1998 against the Secretary of the Treasury and the Director of OFAC. *Copservir* alleged violations of the Administrative Procedures Act, federal forfeiture laws and the U.S. Constitution. In March 1999, the court granted the defendants' motion and dismissed *Copservir's*

complaint. The court's decision was upheld in March 2000 in the U.S. Court of Appeals for the D.C. Circuit. The U.S. Supreme Court subsequently denied *Copservir's* petition for certiorari. *Cooperativa Multiactiva v. Newcomb*, No. 98-0949-LFO, 1999 U.S. Dist. Lexis 23168 (D.D.C. 1999); *aff'd* 221 F.3d 195 (D.C. Cir. 2000); *cert. denied*, 531 U.S. 817 (2000).

## **PENALTIES**

Violations carry criminal penalties of up to \$500,000 per violation for corporations and \$250,000 for individuals, as well as imprisonment of up to 20 years. Civil penalties of up to \$50,000 per violation may be imposed.



4 MAP OF COLOMBIA *Cities identify locations of Colombian drug cartel businesses discussed in this report.*

# IMPACT OF THE COLOMBIAN DRUG CARTELS ECONOMIC SANCTIONS PROGRAM

SECTION 1

***“[T]he U.S. pressure is reaching unexpected extremes. The largest international suppliers refuse to deal with us. The banks have closed down our accounts. It is impossible for us to pay our obligations.”***

– As told to Colombian television in 1996 by Humberto RODRIGUEZ MONDRAGON—son of Cali drug cartel leader Gilberto RODRIGUEZ OREJUELA—referring to their business enterprises in Colombia.

Economic sanctions are employed to financially and commercially impair and impede, and to ultimately isolate and incapacitate narcotics traffickers, their supporters, and business empires. OFAC designations help publicly identify drug traffickers and their business empires and are often accompanied or followed by U.S. law enforcement actions and Government of Colombia asset seizures and forfeitures. Additionally, the threat of designation often deters top managerial talent—needed to operate and manage the often complex drug trafficking money laundering operations and business empires—from working for the drug traffickers and their business empires. As of December 2006, OFAC has identified drug traffickers’ assets under the Specially Designated Narcotics Traffickers program valued at more than \$1 billion.

Once designated, most narcotics traffickers try to evade and avoid the financial and commercial restrictions placed upon them and their businesses, by working through others or creating shell companies through which to control and conduct their business.<sup>4</sup> Initially, sanctions impair and impede their ability to function; however, as OFAC continues to identify and designate supporters, businesses, and front companies, the drug cartel organizations face increasing isolation and incapacitation.

***“We have been several years without sponsorships...we have more than one million dollars frozen that we won in international sports competitions.”***

– Colombian news magazine quoting the president of the professional Colombian soccer team *America de Cali*, in February 2006—the soccer team was designated in June 1999 as an SDNT of Cali cartel leaders Miguel and Gilberto RODRIGUEZ OREJUELA.

At the outset of a designation, all assets within the United States of a designated party are blocked.<sup>5</sup> Additionally, any transactions with a designated person that are caught in the United States are blocked. OFAC actions in 2006 alone resulted in multi-million dollar blockings in accounts and real property in the United States, stemming from focused, in-depth OFAC investigations of Colombia’s North Valle drug cartel’s business and financial networks. SDNT companies and individuals face real costs as a result of being denied access to banking services in the

4. See text box at the end of this section that identifies the Colombian drug cartels and the organizations that comprise them.

5. Assets within the United States include those in the possession or control of U.S. persons, including foreign branches.

United States. An even more significant impact can come from the severing of trade with the United States. Some companies named as SDNTs that were heavily dependent upon trade with U.S. businesses have been forced out of business.

OFAC's designation of companies and individuals tied to Colombia's drug cartels often prompts non-U.S. parties to take similar actions. Many non-U.S. banks have, as a routine practice, closed the accounts of all persons (individuals and entities) on the OFAC SDNT list. For example, many Latin American banks have advised OFAC that they rely on the SDNT list as part of their due diligence in identifying high-risk account holders. Non-U.S. companies that have no obligation to comply with U.S. sanctions often refuse to work for, supply or otherwise do business with SDNT commercial enterprises or employ persons on the SDNT list, thereby further isolating them commercially. As a result, designated persons are impeded from functioning effectively in the legitimate economy or business world.

As of December 2006, public records in Colombia and other countries show that hundreds of companies named as SDNTs have dissolved, are in the process of dissolution, or are inactive. As some SDNT companies attempt to continue their operations through changes to their company names, corporate structure, or other evasion schemes, OFAC has pursued them for designation as well.

***"[The OFAC list] is the most powerful tool the United States has against the traffickers."***

– As one Colombian cartel source described OFAC designations.

Throughout the sanctions process, OFAC cooperates with law enforcement agencies. Its designations often provide a picture of the cartels' support networks, helping further inform U.S. law enforcement actions and a variety of foreign government enforcement actions geared to disrupting and dismantling the financial infrastructure of the Colombian drug cartels. Companies designated as SDNTs by OFAC have concurrently or subsequently been investigated by law enforcement authorities in Colombia, Panama, Ecuador, Costa Rica, Peru, Spain, and Aruba. In Colombia, the government has initiated numerous asset forfeiture cases against many of the

## LEGAL CHALLENGES IN COLOMBIA

In Colombia, the courts have upheld a Colombian bank's right to deny service to high-risk account holders, such as SDNTs. In March 2001, *Copservir*, a pharmacy chain owned by the RODRIGUEZ OREJUELA drug trafficking organization, filed a lawsuit in the circuit court in Cali, Colombia against six Colombian banks for refusing to provide banking services to *Copservir* because of its status on OFAC's SDNT list. In May 2003, the Colombian Constitutional Court ruled in favor of the banks' right to refuse such services. Effectively, SDNT businesses are forced out of the formal financial sector—depriving them the use of bank services to pay for goods and payroll, receive payment for goods, enjoy credit lines, and issue letters of credit to foreign suppliers. These businesses are often forced to work on a cash basis.

SDNT companies.<sup>6</sup>

***“[The OFAC] list is tough.”***

– A complaint made to U.S. authorities by an SDNT principal individual. Because of OFAC’s list, his companies were going out of business, his grown children could not get a job, and it became hard for him to pay for their university studies.

The Department of State also uses the SDNT list. It has denied U.S. visas and revoked existing U.S. visas to individuals named as SDNTs, which means that family members and other designated associates may be deprived of high-priced and highly-prized U.S. college educations as well as the amenities and entertainments that their wealth might otherwise afford.

Individuals are deterred from associating with designated narcotics traffickers and their businesses, in part, because their reputations could be ruined, and in part because by doing so, they also might be designated. An SDNT designation of an individual in Colombia and elsewhere carries an overwhelming social stigma that tarnishes or ruins personal reputations and forecloses many financial and commercial opportunities. Designation of enterprises has the additional effect of impairing their ability to hire, train, and retain the top talent needed to operate and manage their often complex narcotics trafficking operations and business empires, as many talented managers and personnel refuse to work for them. For example, in November 2006, within 72 hours of the designation of the soccer team *Cortulua*, the team’s president and three of its five board members resigned, sponsors withdrew their support, and key business partners publicly announced the severing of all commercial ties with the team.

As previously mentioned, sanctions initially impair and impede the ability of narcotics traffickers and their enterprises to function, but as OFAC continues to identify and designate supporters, businesses, and front companies, the drug cartel organizations face increasing isolation and incapacitation. This is best illustrated by the actions OFAC has taken over eleven years against the RODRIGUEZ OREJUELA narcotics trafficking organization—part of the Cali drug cartel in Colombia—that helped dismantle this organization.

### ***Cali Cartel – The RODRIGUEZ OREJUELA Organization***

***“What was suffered was more than what was enjoyed.”***

– As quoted by one RODRIGUEZ OREJUELA family member, referring to the effect of being placed on OFAC’s SDNT list.

In October 1995, President Clinton named the two RODRIGUEZ OREJUELA brothers Miguel and Gilberto, in the Annex to Executive Order 12978. During the next eleven years, OFAC designated more than 200 front companies, including a prominent Colombian drugstore chain *Drogas La Rebaja*—and its successor businesses, which had been created with the purpose of

6. In December 2002, Law 793 replaced the existing 1996 legislation (Law 333) that governed asset forfeiture in Colombia. Law 793 allows Colombian authorities to better enforce asset forfeiture actions in Colombia against the illicit assets of Colombian drug cartel leaders. The Colombian Government has moved swiftly to pursue more complex asset forfeiture investigations against the Cali and North Valle drug cartels pursuant to Law 793.

evading the original designation—and key family members and business associates who managed the business enterprises owned by the RODRIGUEZ OREJUELA organization.

In September 2004, the Colombian authorities seized *Drogas La Rebaja*, which they estimated to be worth over \$200 million.

In a September 2006 agreement with the U.S. Government, Miguel and Gilberto RODRIGUEZ OREJUELA and 28 SDNT individuals—all key family members associated with the RODRIGUEZ OREJUELA drug trafficking organization—agreed to forfeit their interests in all narcotics-related entities world-wide up to \$2.1 billion,<sup>7</sup> which mainly consisted of the hundreds of entities designated by OFAC since 1995.<sup>8</sup> The entities addressed by the agreement will be forfeited in the jurisdiction in which they are located, primarily Colombia. The agreement also commits the family members to assist the U.S. and Colombian Governments in any future forfeiture actions. In connection with this agreement, Miguel and Gilberto RODRIGUEZ OREJUELA also pled guilty to all federal drug trafficking and money laundering charges in the Southern District of Florida and the Southern District of New York.

### *Cali Cartel – the VALENCIA TRUJILLO Organization*

***“The list demonizes you in Colombia. The worst part is for the family. The banks simply close their doors to you.”***

– A major Colombian narcotics trafficker

Designations of individuals and entities in the VALENCIA TRUJILLO organization provide additional examples of the impact of the sanctions program.

Joaquin Mario VALENCIA TRUJILLO, head of the VALENCIA TRUJILLO organization, employed family members, including his brother, Guillermo, and several sisters—to run his enterprises.<sup>9</sup> He and his family were once considered to be reputable business persons both in Colombia and internationally. Since designation, the VALENCIA TRUJILLO organization has been unable to liquidate assets or sell enterprises to third parties. Many of the designated businesses were either seized by Colombian authorities or forced to close because of the OFAC designation. All family members involved in the enterprise have been designated and face the same sanctions prohibitions.

One of the most illustrative examples of the crippling effect that an OFAC designation can have on a business enterprise involves *Criadero La Luisa*, a horse breeding farm, which OFAC designated in March 2003. The farm maintained about 300 *paso fino* horses—some of which

7. The \$2.1 billion figure is derived from the estimated worth of the 200,000 kilograms of cocaine that Gilberto and Miguel RODRIGUEZ OREJUELA admitted they imported into the United States and/or distributed in the United States since 1990.
8. See text box, “Prepared Remarks on the Acceptance of Plea Agreements and 30-year Sentences by the RODRIGUEZ OREJUELA Brothers,” by Adam Szubin, Director Office of Foreign Assets Control.
9. These companies include an industrial paper company, a real estate management company, a financial loan company, and a maritime agency. See the section on the VALENCIA TRUJILLO organization for further details.

were estimated to be worth more than \$1 million a piece. Prior to designation, U.S. customers accounted for the majority of the farm's horse sales and breeding services. Shortly after the enterprise's designation, OFAC sent out alert letters to the U.S. horse breeding industry, which effectively shut down all U.S. business relationships and hindered other lucrative non-U.S. sales.

### ***North Valle Cartel – Examples of the RENTERIA MANTILLA, GRAJALES LEMOS, PUERTA PARRA and HERNANDEZ ZEA, and VARELA Organizations***

Since 2000, OFAC also has focused its sanctions investigations on Colombia's North Valle drug cartel. The impact of these designations is beginning to take hold. For example, in the past two years more than \$160 million in assets have been affected in a series of actions against four of the more than 14 North Valle drug cartel leaders.

In March 2005, concurrently with the designation of Carlos Alberto RENTERIA MANTILLA (a.k.a. "Beto" RENTERIA), OFAC blocked approximately \$1 million worth of assets belonging to Beto RENTERIA and his family, including bank accounts, cars, and real estate in Boston, Massachusetts and Miami, Florida. On May 11, 2005, OFAC designated Raul Alberto GRAJALES LEMOS and in the following days, Colombian authorities arrested Raul GRAJALES LEMOS and several of his SDNT associates on charges of money laundering.

In February 2005, five months after its designation by OFAC, the Colombian authorities seized the airline, *Intercontinental de Aviacion*, controlled by the PUERTA PARRA and the HERNANDEZ ZEA organizations of the North Valle drug cartel. The seizure included the airline's fleet of six airplanes worth approximately \$21 million, according to a Colombian source familiar with the airline.

In June 2005, shortly after having been designated by OFAC, Colombian authorities seized the GRAJALES LEMOS organization-controlled *Grupo Grajales*—one of the largest agricultural conglomerates in the country that includes a winery and fruit companies, as well as real estate and other assets. The authorities estimated the worth of the conglomerate to be worth over \$100 million.

In March 2006, a Colombian newspaper announcement placed by the department store chain *Casa Estrella*—controlled by the RENTERIA MANTILLA and GRAJALES LEMOS organizations and named as an SDNT in May 2005—stated that the chain would be closing its Barranquilla store. The department store chain's closing was due to the fact that it did not have financial services and checking accounts, could not accept credit or debit cards, and some national suppliers refused to sell products to the chain. Subsequently, in August 2006, the Colombian Government seized the *Casa Estrella* department store chain, along with other companies and properties. The real property alone had an estimated worth of approximately \$38.5 million.

In June 2006, OFAC named five companies in Panama as SDNTs, including *Cipe Investments Corporation*, *Elizabeth Overseas, Inc.*, *Karen Overseas, Inc.*, *Kattus II Corporation*, and *Rixford*

*Investment Corporation.* All of these companies had financial ties to the RENTERIA MANTILLA and GRAJALES LEMOS organizations in Colombia through associates in *Casa Estrella*. Shortly afterwards, the Panamanian press reported that judicial authorities initiated a money laundering investigation against the fronts.

In September 2006, Colombian authorities seized properties and companies belonging to SDNT individual Eduardo RESTREPO VICTORIA, a key associate of the VARELA organization. Colombian authorities valued the seized assets at more than \$22 million.

In November 2006, within 72 hours of the designation of the soccer team *Cortulua*, the team's president and three of its five board members resigned, sponsors withdrew their support, and key business partners publicly announced the severing of all commercial ties with the team.

## IMPACTS AND IMPLICATIONS OF THE SDNT COLOMBIA ECONOMIC SANCTIONS PROGRAM

Economic sanctions are employed to expose, impair and impede, and to isolate and incapacitate narcotics traffickers and their support structures. In the Specially Designated Narcotics Traffickers program, there have been five major impacts on and implications for the drug trafficking groups and their business empires. These are:

**Asset Blocking in the United States.** Any money, assets, or property of a designated person within U.S. jurisdiction are blocked and any subsequent transactions which are caught are blocked, depriving the designee use of these assets.

**Isolation from U.S. Financial and Commercial Markets.** Financial transactions and commercial dealings by a U.S. person with designated persons are prohibited, barring the designee from the benefits of the U.S. financial and commercial systems.

**Isolation from Non-U.S. Financial and Commercial Markets.** Many banks outside U.S. jurisdiction refuse to hold funds, provide any type of financial services for the SDNT or the SDNT's commercial enterprises, and have closed their bank accounts. Businesses outside of U.S. jurisdiction also may refuse to work with the SDNT or supply or do business with the SDNT's commercial enterprises.

**Law Enforcement.** The SDNT list often provides a picture of the cartels' support networks, helping inform U.S. law enforcement actions and foreign seizures and forfeitures geared to disrupting and dismantling the financial and commercial infrastructure of the Colombian drug cartels.

**Deterrence.** Anyone—family members, friends, and associates—who is employed by the narcotics traffickers or controls or manages their business empires is subject to designation under E.O. 12978. The threat of designation and the reputational risk often deters top managerial talent—needed to operate and manage the often complex drug trafficking money laundering operations and business empires—from working for designated drug traffickers and their business empires.



**OFAC**  
Office of Foreign Assets Control

Official Comments  
09/26/2006

Prepared Remarks on the Acceptance of Plea Agreements and 30-year Sentences by the RODRIGUEZ OREJUELA Brothers

■ Prepared Remarks by Adam Szubin, Director Office of Foreign Assets Control.

**September 26, 2006**

Washington, DC

Today's agreements represent government at its best. By combining the financial sanctions powers of the Treasury Department with ... law enforcement and criminal authorities ... and working closely with our partners in Colombia, we have crippled what was one of the most notorious and dangerous drug cartels in the world.

Today's agreement ... brings into sharp relief the power of financial sanctions. Since 1995, Treasury's Office of Foreign Assets Control, or "OFAC," has relentlessly pursued Colombian drug cartels, using Executive Order 12978 to designate and freeze the U.S.-controlled assets of over 1,200 companies and individuals. We have focused in particular on the notorious Cali cartel, designating over 700 entities and people that were operating as fronts for Gilberto and Miguel Rodriguez Orejuela. The heart of this financial network was the Colombian drugstore chain Drogas La Rebaja, as well as pharmaceutical laboratories like Farmacoop, which allowed the Rodriguez Orejuelas to launder their narcotics proceeds while providing an ostensibly legitimate source of income for family members and associates.

For ten years, OFAC investigators pursued the Rodriguez Orejuela's dirty assets around the world, uncovering new front companies in Colombia, Ecuador, Spain and six other countries, as the family attempted to mask its financial trails and circumvent our sanctions.

The impact of these sanctions has been dramatic. When OFAC designates a person or company, any assets held by a U.S. person or bank, anywhere in the world, must be frozen. Trade with or through the United States is cut off. Even more importantly, Colombian businesses and banks follow suit, severing all ties with entities that OFAC has listed. Time and again, U.S.-designated narcotics traffickers have been barred from opening bank accounts in Colombia or conducting business. And Colombian authorities have frequently been able to act against designated companies or properties, as they did in a massive forfeiture action against Drogas La Rebaja.

Indeed, in Colombia, being designated by OFAC is referred to as "muerte civil," or civil death.

This unrelenting pressure was a key cause of today's agreements. In a separate agreement, 28 designated family members of the Rodriguez Orejuela family have today agreed to forfeit their interests in all narcotics-related entities worldwide, including the hundreds of entities designated by OFAC since 1995. They have also committed to assist U.S. and Colombian governments in any future forfeiture actions. If the 28 Rodriguez Orejuela family members fully comply with the terms of the agreement and meet all terms of removal, we will work to remove them from OFAC's list. Any future dealings with narcotics traffickers, including on behalf of the two still-designated Rodriguez Orejuela brothers, will land them back on the list.

Today's outcome is a success – two dangerous drug lords are headed to prison and their once-powerful financial empire has been dismantled. This result is a team effort in every sense of the word, and we extend our deep appreciation to our dedicated colleagues in the U.S. Attorney's Offices in Miami and New York, the Drug Enforcement Administration, the Departments of Homeland Security and State, and in the Colombian government. And I want to extend a special thanks to our exceptional narcotics team at OFAC.

## OVERVIEW OF COLOMBIA'S DRUG CARTELS AND DRUG CARTEL GROUPS

For ease of reference, set forth below is a brief summary of the Cali, North Valle, and North Coast drug cartels and their principal component organizations.<sup>10</sup> More detailed descriptions of these groups and organizations are set forth in Sections 2, 3, and 4, respectively, of this report and additional information can be found in Appendix A and B.

### **Cali Cartel**

The Cali drug cartel is based in the city of Cali, Colombia. Led by Gilberto RODRIGUEZ OREJUELA, Miguel RODRIGUEZ OREJUELA, Jose SANTACRUZ LONDOÑO, and Helmer HERRERA BUITRAGO, the Cali drug cartel orchestrated the manufacture of hundreds of tons of cocaine in Colombia in the early 1980s, which were then moved through the Caribbean and Mexico to U.S. markets. By the early 1990s, the Cali drug cartel was responsible for approximately 80 percent of the world's cocaine supply. Actions taken by U.S. and Colombian authorities led to the surrender or arrest of the RODRIGUEZ OREJUELA brothers, SANTACRUZ LONDOÑO, HERRERA BUITRAGO, and other Cali drug cartel leaders between 1994 and 1996, and the dismantling of the Cali drug cartel's trafficking infrastructure. Colombian law enforcement and OFAC actions led to the disruption of the business empires built with their illicit drug trafficking proceeds. The principal individuals designated by OFAC are:

- Gilberto Jose & Miguel Angel RODRIGUEZ OREJUELA
- Jose SANTACRUZ LONDOÑO
- Helmer HERRERA BUITRAGO
- Joaquin Mario & Guillermo VALENCIA TRUJILLO

### **North Valle Cartel**

Based in the northern part of Colombia's Valle del Cauca region, the North Valle drug cartel rose to prominence in the 1990s. It began as a splinter group of the Cali drug cartel following the arrest of Cali drug cartel leaders Miguel and Gilberto RODRIGUEZ OREJUELA in 1995. Through its brutal tactics and alliances with narco-terrorist organizations such as the United Self Defense Forces of Colombia ("AUC"), the North Valle drug cartel was able to export over one million pounds of cocaine, worth an estimated \$10 billion, to the United States via Mexico between 1990 and 2004. In 2004, the Drug Enforcement Administration ("DEA") described the North Valle drug cartel as the "*largest and most powerful drug cartel in Colombia*" and stated that the North Valle drug cartel was responsible for one-third to one-half of the cocaine that reaches American shores. The principal individuals designated by OFAC are:

10. Until the early 1990s, U.S. and Colombian authorities had focused their efforts on the violent Medellin drug cartel. By the end of 1993, the heads of the Medellin drug cartel were either dead or in jail—Medellin Cartel kingpin Pablo Escobar Gaviria was killed in a shootout with Colombian police in late 1993, the Ochoa Vasquez brothers had turned themselves in to Colombian authorities, Gonzalo Rodriguez Gacha had been killed (1989) and their financial empires were either destroyed, seized or in complete disarray. The focus on the Medellin drug cartel allowed the Cali drug cartel to quietly grow in power and influence and establish the financial networks that would eventually attract the attention of U.S. authorities prior to 1995.

- Ivan & Julio Fabio URDINOLA GRAJALES
- Arcangel de Jesus HENAO MONTOYA
- Juan Carlos RAMIREZ ABADIA
- Victor Julio PATIÑO FOMEQUE
- Diego Leon MONTOYA SANCHEZ
- Luis Hernando GOMEZ BUSTAMANTE
- Gabriel PUERTA PARRA and Luis Antonio HERNANDEZ ZEA
- Carlos Alberto RENTERIA MANTILLA
- Raul Alberto GRAJALES LEMOS
- Wilber VARELA
- Jhon Eidelber CANO CORREA
- Orlando SABOGAL ZULUAGA

**North Coast Cartel**

Various drug trafficking organizations based along the northern coast of Colombia have operated maritime drug smuggling routes for the Medellin, Cali, and North Valle drug cartels since the 1970s. One major North Coast drug trafficker, Julio Cesar NASSER DAVID, ran a drug and money laundering group based out of the city of Barranquilla, Colombia. Since the 1970s, NASSER DAVID's organization has smuggled multi-ton quantities of cocaine and marijuana to the United States via commercial shipments and maritime vessels. This organization was seriously impaired as a result of NASSER DAVID's arrest in 1997, OFAC sanctions since May 1998, and NASSER DAVID'S subsequent death in 2001. The principal individual designated by OFAC is:

- Julio Cesar NASSER DAVID



## CALI CARTEL

During the time the Colombian National Police were engaged in their campaign to bring down the Medellin drug cartel in the late 1980s and early 1990s, a group of powerful drug traffickers from Cali, Colombia were building what was to become one of the most prolific and successful criminal enterprises in recent history. Led by Gilberto RODRIGUEZ OREJUELA, Miguel RODRIGUEZ OREJUELA, Jose SANTACRUZ LONDOÑO, and Helmer HERRERA BUITRAGO, the Cali drug cartel trafficked approximately 80 percent of the world's cocaine by the early 1990s. At the height of their power, the Cali drug cartel's annual revenue reached an estimated \$7 billion.

SECTION 2

Working collaboratively, the four principal Cali drug cartel leaders formed an organization that handled both the entire chain of narcotics trafficking—such as raw material procurement, processing, delivery, wholesaling, retailing—and subsequent laundering of the illicit proceeds. While the Cali drug cartel consolidated the production and distribution of illicit narcotics into one operation, the proceeds from these operations were distributed separately among four major organizations, each headed by one of the four principals. Each organization largely invested, developed, and managed its own separate business empire. Each business empire grew to include a vast network of companies, run by family members and a cadre of trusted business associates in Colombia, Ecuador, Panama, Peru, Spain, and Venezuela. The Cali drug cartel headquartered its business empire in and around Cali, Colombia, developing a political, social, and business base of support.

The Cali drug cartel's operations began to unravel in the mid-1990s with a series of U.S. law enforcement indictments, OFAC designations, and Colombian Government actions. Law enforcement uncovered the various drug trafficking operations, while OFAC commercially isolated the drug cartel's business empires by identifying and designating their companies and principal managers. Ultimately, it was the sheer size of the narcotics trafficking enterprise that made its operations vulnerable.

Sanctions against the Cali drug cartel began with the naming of all four Cali drug cartel leaders by the President in the Annex to Executive Order 12978 on October 21, 1995.

As will be explained in more detail below, OFAC's continued sanctions pressure was a key impetus to the guilty pleas of Miguel and Gilberto RODRIGUEZ OREJUELA in U.S. Federal Court in Miami, Florida on September 26, 2006. Miguel and Gilberto RODRIGUEZ OREJUELA admitted to over two decades of drug trafficking and to laundering the proceeds through the network of companies that OFAC had targeted in over a dozen investigations over the past decade. The brothers were sentenced to 30 years in jail and ordered to forfeit up to \$2.1 billion in assets.

## RODRIGUEZ OREJUELA ORGANIZATION

### *Background:*

The Cali drug cartel was formed in the 1970s by Gilberto and Miguel RODRIGUEZ OREJUELA and Jose SANTACRUZ LONDOÑO. While Gilberto and Miguel RODRIGUEZ OREJUELA were initially involved in other criminal activities such as kidnappings in the late 1960s, they gradually expanded into smuggling cocaine base from Peru and Bolivia to Colombia for conversion into powder cocaine. By the late 1970s, the RODRIGUEZ OREJUELA brothers were known as major transportation specialists who moved cocaine out of Colombia into the United States and other countries. Gilberto RODRIGUEZ OREJUELA was responsible for the strategic, long-term planning of the organization. Miguel RODRIGUEZ OREJUELA was the hands-on manager who ran the day-to-day operations. They maintained a sophisticated, highly-structured drug trafficking organization that was tightly controlled. Each day, details of loads and money shipments were electronically communicated to heads of cocaine cells operating within the United States. The RODRIGUEZ OREJUELA brothers were intimately involved in every phase of the business—production, transportation, financing, and communications. They knew the how, when, and where of every cocaine shipment, down to the markings on the packages. They even set production targets for the cocaine they sold.

A November 1994 Drug Enforcement Administration (“DEA”) report entitled, “The Cali Cartel: The New Kings of Cocaine,” stated that Gilberto and Miguel RODRIGUEZ OREJUELA controlled “*what may be the most powerful of the Cali Cartel organizations.*”

In June 1995, a federal grand jury in Miami, Florida issued a landmark Racketeer Influenced and Corrupt Organizations Act (“RICO”) indictment against the leaders of the Cali drug cartel, including Miguel and Gilberto RODRIGUEZ OREJUELA, and charged the Cali drug cartel with the importation of 200,000 kilograms of cocaine and the laundering of \$2 billion from 1983 through 1995.

In reaction to law enforcement actions, the RODRIGUEZ OREJUELA brothers used a network of family members and associates as front persons in their companies to disguise the true ownership or control of their assets. Both Miguel and Gilberto were identified early on in public documents in Colombia as partners in several companies. Subsequently, however, they attempted to conceal their continuing control of these companies in order to insulate their assets from seizure by law enforcement authorities. Their companies are now held under the names of family members and associates who may appear as shareholders, officers, or managers at different points in the companies’ histories, while in fact the companies continue to be owned or controlled by Gilberto and Miguel RODRIGUEZ OREJUELA.

Gilberto and Miguel RODRIGUEZ OREJUELA were arrested by Colombian police operations in June and August 1995, respectively. On October 24, 1995, subsequent to their naming by

the President in the Annex to E.O. 12978, OFAC designated 13 businesses and 32 individuals involved with the RODRIGUEZ OREJUELA organization, including its most important asset, the *Drogas La Rebaja* drugstore chain.

## SECTION 2

In late 1996, the RODRIGUEZ OREJUELA brothers reached an agreement with the Colombian Government to plead guilty to drug charges in Colombia, rather than face future possible extradition to the United States. However, they continued to control the Cali drug cartel from prison.

Since the implementation of E.O. 12978 in October 1995 until September 2006, OFAC continued to identify new assets of the RODRIGUEZ OREJUELA organization and followed the organization's attempted evasions to preserve assets by changing names or restructuring of already designated companies. This resulted in the designation of 246 front companies over 11 years under at least 12 separate OFAC designation actions against the RODRIGUEZ OREJUELA organization. OFAC identified assets of the organization in 10 countries, including Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Venezuela, the Bahamas, the British Virgin Islands, and the United States.

In December 2003 and March 2004, two new federal indictments were unsealed and extradition warrants filed requesting that the Colombian Government extradite Gilberto and Miguel RODRIGUEZ OREJUELA, based on new U.S. charges of narcotics trafficking and money laundering. Subsequently, they were extradited to the United States in December 2004 and March 2005, respectively.

In September 2006, Gilberto and Miguel RODRIGUEZ OREJUELA pled guilty to all federal drug trafficking and money laundering charges brought by the U.S. Attorney's Office for the Southern District of Florida and the U.S. Attorney's Office for the Southern District of New York.

### *Related Impact:*

OFAC designations since October 1995 helped identify the RODRIGUEZ OREJUELA financial and business empire throughout the world. The economic sanctions played a key role in the commercial and financial isolation of the RODRIGUEZ OREJUELA businesses and impaired its organizational integrity.

### EXCERPT FROM THE SOUTHERN DISTRICT OF NEW YORK INDICTMENT

"In 1996, after OFAC applied sanctions against many of their principal companies, Gilberto and Miguel RODRIGUEZ OREJUELA arranged for their pharmaceutical drugs to be sold to numerous companies outside Colombia in an effort to protect their assets and avoid OFAC sanctions. These foreign companies were effectively controlled by trusted associates of the Cali Cartel. In addition, after their companies were sanctioned by OFAC, Gilberto and Miguel RODRIGUEZ OREJUELA and their criminal associates established "new" or "re-organized" companies from the previously sanctioned companies. These "new" companies simply assumed the assets and continued to perform the services of the previously sanctioned companies."

In Colombia, subsequent to OFAC designations, the authorities have seized the majority of the RODRIGUEZ OREJUELA organization's assets in the course of a number of large operations.

In September 2004, the Colombian Government finally seized the drugstore chain *Drogas La Rebaja* in what was considered the largest asset forfeiture operation in Colombian law enforcement history. A team of 465 Colombian prosecutors, accompanied by 3,000 police and 20 accountants, seized all *Drogas La Rebaja* drugstores across Colombia. According to Colombian officials, "This is the largest occupation of property linked to the drug trade in the history of the country." The drugstore chain was valued by Colombian authorities at approximately \$220 million.

In August 2005, Colombian authorities followed up the September 2004 seizure of *Drogas La Rebaja* by seizing nearly all the RODRIGUEZ OREJUELA property on which the drugstores of the chain were located.

In May 2006, Colombian authorities initiated a second follow up operation to the September 2004 seizure of *Drogas La Rebaja* and seized the RODRIGUEZ OREJUELA company *Prosalud*, a 17-drugstore chain based in Cali, as well as numerous other affiliated companies, including *Credirebaja*, the credit card company used by *Drogas La Rebaja*.

Also, in May 2006, a Colombian judge ordered the forfeiture of hundreds of assets belonging to Gilberto and Miguel RODRIGUEZ OREJUELA, including 74 properties located in Cali, Bogota, and San Andres, their shares in the professional soccer team *America de Cali*, and 17 companies. These property assets and companies, valued by Colombian authorities in excess of \$45 million, had been seized in operations since 1996.

In September 2006, a major agreement was reached with Gilberto and Miguel RODRIGUEZ OREJUELA when they pled guilty to drug trafficking and money laundering charges. They agreed to a forfeiture of up to \$2.1 billion in assets to be levied against their narcotics-related assets found anywhere in the world, as well as all RODRIGUEZ OREJUELA business entities worldwide. These entities are mainly the 246 front companies already designated by OFAC over the past 11 years under at least 12 separate OFAC designation actions. In a separate agreement, 28 family members of the RODRIGUEZ OREJUELAS agreed to forfeit their right, title, and interest in all RODRIGUEZ OREJUELA business entities worldwide, including all those designated by OFAC since 1995. These family members also agreed to forfeit and/or divest themselves of all the businesses on the OFAC list, in addition to continuing to assist U.S. and Colombian Governments in any ongoing or later related forfeiture actions against their assets. If the RODRIGUEZ OREJUELA family members fully comply with the terms of the agreement, they will be eligible to be removed from OFAC's SDNT list. These agreements resulted from a combination of the sanctions powers of the Department of the Treasury with the authorities of

the U.S. Attorney's Offices in Miami and New York, the Drug Enforcement Administration, the Departments of Homeland Security and State, and Colombian authorities.

In November 2006, the RODRIGUEZ OREJUELA brothers entered their guilty pleas to money laundering charges in the U.S. District Court for the Southern District of New York.

## SECTION 2

# RODRIGUEZ OREJUELA ORGANIZATION



**Gilberto Jose  
RODRIGUEZ OREJUELA**

**Aliases:** "El Ajedrecista"  
(The Chess Player)  
**Date of Designation:** 21-Oct-1995  
**POB:** Colombia  
**DOB:** 31-Jan-1939  
**Cedula Number:** 6068015  
**Passport Number:** T321642  
**Indictments:** 1995 RICO indictment of Cali drug cartel in Southern District of Florida; Dec-2003 (Southern District of Florida); Mar-2004 (Southern District of New York)  
**Arrests/Convictions:** Extradited to U.S. from Colombia in Dec-2004. Pleaded guilty to all federal drug trafficking and money laundering charges in Sept-2006.



**Miguel Angel  
RODRIGUEZ OREJUELA**

**Aliases:** "El Señor"  
**Date of Designation:** 21-Oct-1995  
**POB:** Colombia  
**DOB:** 23-Nov-1943  
**Cedula Number:** 6095803  
**Indictments:** 1995 RICO indictment of Cali drug cartel in Southern District of Florida; Dec-2003 (Southern District of Florida); Mar-2004 (Southern District of New York)  
**Arrests/Convictions:** Extradited to the United States from Colombia in March 2005. Pleaded guilty to all federal drug trafficking and money laundering charges in Sept-2006.

## KEY FAMILY MEMBERS



**Jaime  
RODRIGUEZ MONDRAGON**  
Designation Date: 21-Oct-1995  
Relationship: Son of Gilberto  
Cedula: 16637592  
DOB: 30-Mar-1960



**Humberto  
RODRIGUEZ MONDRAGON**  
Designation Date: 21-Oct-1995  
Relationship: Son of Gilberto  
Cedula: 16688683  
DOB: 21-Jun-1963



**Maria Alexandra  
RODRIGUEZ MONDRAGON**  
Designation Date: 21-Oct-1995  
Relationship: Daughter of Gilberto  
Cedula: 66810048  
DOB: 30-May-1969



**William  
RODRIGUEZ ABADIA**  
Designation Date: 21-Oct-1995  
Relationship: Son of Miguel  
Cedula: 16716259  
DOB: 31-Jul-1965



**Carolina  
RODRIGUEZ ARBELAEZ**  
Designation Date: 21-Oct-1995  
Relationship: Daughter of Miguel  
Cedula: 29117505  
DOB: 17-May-1979



**Claudia Pilar  
RODRIGUEZ RAMIREZ**  
Designation Date: 21-Oct-1995  
Relationship: Daughter of Gilberto  
Cedula: 51741013  
DOB: 30-Jun-1963



**Juan Carlos  
MUÑOZ RODRÍGUEZ**  
Designation Date: 21-Oct-1995  
Relationship: Nephew  
Cedula: 16703148  
DOB: 25-Sept-1964



**Maria Fernanda  
RODRIGUEZ ARBELAEZ**  
Designation Date: 17-Oct-2003  
Relationship: Daughter of Miguel  
Cedula: 66860965  
DOB: 28-Nov-1973



**Andre Gilberto  
RODRIGUEZ RAMIREZ**  
Designation Date: 6-Feb-2003  
Relationship: Son of Gilberto  
Cedula: 16798937  
DOB: 22-Mar-1972

## KEY BUSINESS ASSOCIATES



**Fernando Antonio  
GUTIERREZ CANCINO**  
Designation Date: 21-Oct-1995  
Cedula: 6089071  
DOB: 4-Dec-1941



**Alfonso  
GIL OSORIO**  
Designation Date: 21-Oct-1995  
Cedula: 14949279  
DOB: 17-Dec-1946

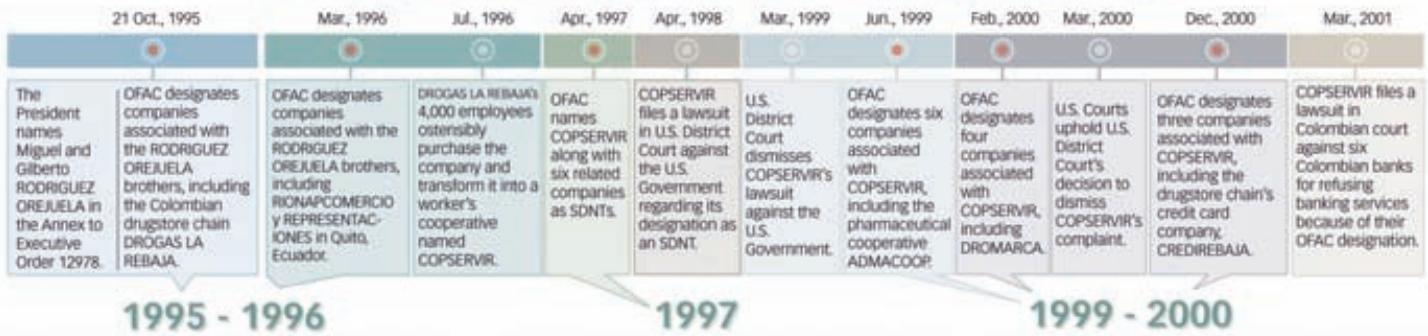


**Jaime Alberto  
ARISTIZABAL ATEHORTUA**  
Designation Date: 5-Mar-1996  
Cedula: 16756325  
DOB: 11-Oct-1968



**Eduardo  
MOGOLLON RUEDA**  
Designation Date: 21-Oct-1995  
Cedula: 19194691  
DOB: 5-Feb-1953

# IMPACT OF OFAC SANCTIONS ON THE RODRIGUEZ OREJUELA PHARMACEUTICAL EMPIRE



## 1995 - 1996

### DROGAS LA REBAJA

- Distribuidora de Drogas La Rebaja Principal S.A. (a.k.a. Drogas La Rebaja S.A.)
- Blanco Pharma S.A. (a.k.a. Laboratorios Blanco Pharma S.A.)
- Alpha Pharma S.A.
- Deposito Popular de Drogas S.A.
- Distribuidora de Drogas Condor S.A. (a.k.a. Drogas Condor)
- Distribuidora de Drogas La Rebaja Barranquilla S.A. (a.k.a. Drogas La Rebaja Barranquilla S.A.; f.k.a. Servicios Sociales Ltda.)
- Distribuidora de Drogas La Rebaja Bucaramanga S.A. (a.k.a. Drogas La Rebaja Bucaramanga S.A.)
- Distribuidora de Drogas La Rebaja Cali S.A. (a.k.a. Drogas La Rebaja Cali S.A.)
- Distribuidora de Drogas La Rebaja Neiva S.A. (a.k.a. Drogas La Rebaja Neiva S.A.)
- Distribuidora de Drogas La Rebaja Pasto S.A. (a.k.a. Drogas La Rebaja Pasto S.A.)
- Distribuidora de Drogas La Rebaja Pereira S.A. (a.k.a. Drogas La Rebaja Pereira S.A.)
- Distribuidora Myramirez S.A.
- Farmatodo S.A.
- Laboratorios Blaimar de Colombia S.A. (a.k.a. Blaimar, a.k.a. Cointercos S.A.)
- Laboratorios Genericos Veterinarios de Colombia S.A. (a.k.a. Gen Vet S.A.)
- Laboratorios Kressfor de Colombia S.A. (a.k.a. Kressfor)
- Penta Pharma de Colombia S.A. (a.k.a. Pentacoop Ltda.)
- Plasticos Condor Ltda.
- Rionap Comercio y Representaciones S.A.
- Servicios Sociales Ltda.

Located in: Barranquilla, Bogota, Bucaramanga, Cali, Neiva, Pasto, Pereira, and Quito, Ecuador

## 1997



- Copservir Ltda. (a.k.a. Cooperativa Multiactiva de Empleados de Distribuidores de Drogas Copservir Ltda.)
- Dismercoop (a.k.a. Cooperativa Multiactiva de Empleados de Supermercados y Afines)
- Flexoempaques Ltda (f.k.a. Plasticos Condor Ltda.)
- Cointercos S.A. (a.k.a. Compania Interamericana de Cosmeticos S.A.); (f.k.a. Laboratorios Blaimar de Colombia S.A.)
- Cosmepop (a.k.a. Cooperativa de Cosmeticos y Populares)
- Farmacoop (a.k.a. Cooperativa Multiactiva de Comercializacion y Servicios Farmacoop)
- Pentacoop Ltda (f.k.a. Penta Pharma de Colombia S.A.)

Located in: Bogota, Cali

## 1999 - 2000



- Credirebaja S.A.
- Admacoop (a.k.a. Cooperativa Multiactiva de Administracion y Manejo Admacoop)
- Dromarca y Cia. S.C.S.
- Patentes Marcas y Registros S.A. (a.k.a. Patmar S.A.)
- Bonomercad S.A. (f.k.a. Decacoop S.A.)
- Comedicamentos S.A.
- Decafarma S.A.
- Distribuidora Agropecuaria Colombiana S.A. (a.k.a. Diagrocol S.A.)
- Farmahogar (a.k.a. Farmahogar Copservir 19, Drogueria Farmahogar)
- Glajan S.A.
- Inversiones Bombay S.A. (a.k.a. Agroveterinaria El Toro)
- Poliempaques Ltda.
- Servicios Farmaceuticos Servifar S.A. (a.k.a. Servifar S.A.)

Located in: Bogota, Cali

## Impact on DROGAS LA REBAJA

As the drug trafficking organization headed by Miguel and Gilberto RODRIGUEZ OREJUELA grew, so did their drug store chain named DROGAS LA REBAJA. It quickly became Colombia's largest pharmacy, valued by Colombian authorities at approximately \$220 million in 2004, and the flagship company of the RODRIGUEZ OREJUELA organization's financial and business empire.

In October 1995, simultaneous to the President's naming of Miguel and Gilberto RODRIGUEZ OREJUELA in the Annex to Executive Order 12978, OFAC named DROGAS LA REBAJA as an SDNT. As a result of this designation, it was cut-off from the U.S. financial system and Colombian banks closed DROGAS LA REBAJA's accounts, forcing the operation to work on a cash basis and limiting its dealings with other businesses.

By early July 1996, William RODRIGUEZ, the son of Miguel RODRIGUEZ OREJUELA, told a Colombian news magazine that their "businesses like DROGAS LA REBAJA ... may have to shut down." Consequently, in an effort to evade OFAC sanctions, DROGAS LA REBAJA was ostensibly sold to its 4,000 employees for approximately \$32 million under a worker's cooperative named COPSERVIR, which attempted to open local bank accounts and establish business ties with U.S. firms. In April 1997, OFAC also named COPSERVIR as an SDNT.

DROGAS LA REBAJA continued to try to evade U.S. sanctions. However, OFAC's on-going investigation of the RODRIGUEZ OREJUELA organization and DROGAS LA REBAJA, revealed a complex network of front companies throughout Colombia and neighboring countries, including Ecuador, Peru, Venezuela, Panama, Costa Rica, as well as financial fronts in the Bahamas, the British Virgin Islands, and Spain. OFAC targeted this large network of front companies in seven separate designation actions between 1999 and 2004, forcing closure of accounts and commercial dealings with these fronts in the United States and prompting similar actions elsewhere by non-U.S. parties.

In attempts to remove the sanctions, COPSERVIR filed complaints in both the United States and Colombian courts in 1998 and 2001, respectively. In the United States, the Federal District Court for the District of Columbia dismissed COPSERVIR's complaint in 1999 for lack of standing and failure to state a claim, and the court's decision was upheld by the U.S. Court of Appeals for the D.C. Circuit in 2000. *Cooperativa Multiactiva*, 221 F.3d 195. In 2003, the Colombian Constitutional Court ruled against COPSERVIR in its complaint, allowing banks to close accounts of SDNTs due to risk.

OFAC's actions over the years against DROGAS LA REBAJA and related fronts prompted the Colombian Government to initiate its own asset forfeiture case against the drug store chain, seizing it in September 2004. Shortly after the seizure, OFAC established a licensing policy that allows U.S. suppliers to engage in transactions with the drug store chain, thus preserving the company's commercial viability under Colombian Government control and ensuring the continued employment of 4,000 drug store workers.

Feb.-Mar., 2003	May, 2003	Oct., 2003	Dec., 2003	Mar., 2004	Sept., 2004	Nov., 2004	Dec., 2004	Mar., 2005	May, 2006	Sept. - Nov., 2006	
OFAC designates a financial network of 46 new front companies associated with the RODRIGUEZ OREJUELA brothers and COPSERVIR.	Colombian Constitutional Court rules in favor of the six Colombian banks, allowing them to continue to deny services to COPSERVIR.	OFAC designates a widespread network of 23 companies from Colombia and five neighboring Latin American countries that are directly involved in the DROGAS LA REBAJA pharmaceutical empire.	The United States Attorney's Office for the Southern District of Florida unseals Sept. 2003 indictment charging Gilberto and Miguel RODRIGUEZ OREJUELA with drug trafficking, money laundering and obstruction of justice.	The United States Attorney's Office for the Southern District of New York indicts Gilberto and Miguel RODRIGUEZ OREJUELA for money laundering and violations of OFAC sanctions.	OFAC designates 23 front companies in Colombia associated with COPSERVIR.	Colombian Government seizes the drugstore chain DROGAS LA REBAJA following asset forfeiture investigation.	OFAC issues a specific licensing policy allowing U.S. suppliers to engage in certain transactions with COPSERVIR, FARMACOOP, and COSMEPOP.	The Colombian Government extradites Gilberto RODRIGUEZ OREJUELA to the United States.	The Colombian Government extradites Miguel RODRIGUEZ OREJUELA to the United States.	Colombian Government seizes five companies following asset forfeiture investigation, including CREDREBAJA.	The RODRIGUEZ OREJUELAS pled guilty to federal drug trafficking and money laundering charges and agreed to forfeiture in the amount of \$2.1 billion in assets.

## February, March 2003

- Codisa (a.k.a. Cooperativa Multiactiva de Distribucion Y Servicios Administrativos)
- Administradora de Servicios Varios Calima S.A.
- Americana de Cosmeticos S.A.
- Asistencia Profesional Especializada en Colombia Limitada (a.k.a. Asprecol Limitada)
- C Y S Medios E.U.
- Caja Solidaria (a.k.a. Cooperativa Multiactiva de Comercializacion Y Servicios)
- Colimex Ltda.
- Comercializadora Diglo Ltda
- Comercializadora Intertel S.A.
- Contactel Comunicaciones S.A.
- Coopcrear (a.k.a. Cooperativa de Trabajo Asociado de Colombia)
- Cooperativa Mercantil Colombiana Coomercol
- Cooperativa Multiactiva de Colombia Fomentamos (a.k.a. Fomentamos)
- Crasesorias E.U.
- Credisol (a.k.a. Cooperativa de Ahorro Y Credito Para el Progreso Social)
- Credvida
- Distribuciones Glomil Ltda
- Distribuidora Sanar de Colombia S.A.
- Distriexport Comercializadora Internacional S.A. (a.k.a. Distriexport S.A.)
- Drocard S.A.
- Farma 3,000 Limitada
- Farma XXI Ltda.
- Fogensa S.A. (a.k.a. Formas Genericas Farmaceuticas S.A.)
- General de Negocios Y Administracion Ltda. (a.k.a. Genega Ltda.)
- Genericos Especiales S.A. (a.k.a. Genes S.A.)
- Inmobiliaria Imtasa Ltda.
- Inversiete S.A.
- Inversiones Doble Cero E.U.
- Inversiones Kanton Ltda.
- Inversiones Nuevo Dia E.U.
- Inversiones Sampla E.U.
- Inversiones Y Distribuciones A M M Ltda.
- Latina de Cosmeticos Y Distribuciones S.A.
- Materias Primas Y Suministros S.A. (a.k.a. Matsum S.A.)
- Productos Galo Y Cia. Ltda
- Prosalud Y Bienestar S.A.
- Rentar Inmobiliaria S.A.
- Representaciones Y Distribuciones Huertas Y Asociados S.A.
- Seguwra del Valle E.U.
- Servicios Futura Limitada (a.k.a. Servifutura Ltda.)
- Servicios Myral E.U.
- Sharvet S.A.
- Sistemas Y Servicios Tecnicos Empresa Unipersonal (a.k.a. Sisetec)
- Supergen Ltda.
- Tecnicas Contables Y Administrativas (a.k.a. Teconta)
- Terapias Veterinaria Limitada (a.k.a. Tervet Ltda.)

Located in: Bogota, Cali, Cucuta, Neiva

## October, 2003

- Agro Mascotas S.A. (a.k.a. Agrotodo)
- C A V J Corporation Ltda.
- Chamartin S.A.
- Comercializadora de Lineas Pharmaceuticas S.A.
- Comercializadora de Productos Farmaceuticos Ltda.
- Cooperativa Mercantil Del Sur Ltda (a.k.a. Coopmersur; a.k.a. Coomersur)
- Cooperativa Multiactiva de Comerc. Droguista Y Farmaceutica Drofarco (a.k.a. Drofarco)
- Cooperativa Multiactiva Distribuidora de Santander Coopdisan (a.k.a. Coopsidan)
- Distribuidora del Valle E.U.
- Farmatel E.U. (a.k.a. Telefarma E.U.)
- G M C Grupo Maquillacion Colombiano
- Import Mapri Ltda.
- Incommerce S.A.
- Laboratorios Profarma Ltda.
- Laboratorios Y Comercializadora de Medicamentos Droblam S.A. (a.k.a. Droblam S.A.)
- Lemofar Ltda. (a.k.a. LMF Ltda.)
- Macrofarma S.A.
- Magen Ltda.
- Mapri de Colombia Ltda.
- Provida E.U. (a.k.a. Provida Laboratorio Clinico Y Patalogia)
- Sistemas Integrales del Valle Ltda. (a.k.a. Sisva Ltda.)
- Vol Pharmacy Ltda.
- World Trade Ltda.

Located in: Barranquilla, Bogota, Bucaramanga, Cali, Cucuta, Ibague, Pasto

## Offshore Companies

- C.A. V.J. Corporation
- Colfarma Peru S.A.
- Espibena Comercializadora de Medicamentos Genericos S.A. (a.k.a. Espibena S.A.)
- Jomaga de Costa Rica S.A. (a.k.a. Interfarma S.A.)
- Latinoamericana de Farmacos S.A. (a.k.a. Latinfarmacos S.A.)
- Premier Sales S.A.

Located in: Costa Rica, Ecuador, Peru, Panama, Venezuela

## 2004

- Activar (a.k.a. Cooperativa de Trabajo Asociado Activar)
- Coomulcosta (a.k.a. Cooperativa Multiactiva de la Costa Coomulcosta Ltda.)
- Arca Distribuciones Ltda.
- Arias Espinosa Arias S.A. (a.k.a. Arias S.A.)
- Comudrogas Ltda. (a.k.a. Cooperativa Multiservicios de Droguistas Ltda.)
- Coopifarma (a.k.a. Cooperativa Multiactiva de Comercializacion y Servicios de Colombia)
- Disfogen Ltda. (a.k.a. Distribuidora de Medicamentos Disfogen Ltda.)
- ExciPharma S.A. (a.k.a. Excipientes Farmaceuticos ExciPharma S.A.)
- Farmalider S.A.
- Farmavision Ltda. (a.k.a. Cooperativa Multiactiva de Distribucion Farmavision Ltda.)
- Farmedis Ltda.
- Giamx Ltda.
- Inversiones Ase Ltda.
- JYG Asesores Ltda.
- Litopharma (a.k.a. Cooperativa Multiactiva del Litoral)
- Megapharma Ltda. (Cooperativa Multiactiva de Distribucion MegaPharma Ltda.; ComerCoop)
- Segecol Ltda.
- Servicios Logisticos y Marketing Ltda. (a.k.a. S L M K Ltda.)
- Soluciones Cooperativas
- Su Servicios Sociedad Ltda.
- Tecnovet Ltda. (a.k.a. Tecnicas Veterinarias Tecnovet Ltda.)
- Trimark Ltda.
- Villaro Ltda.

Located in: Barranquilla, Bogota, Bucaramanga, Cali, Neiva

# Cali Drug Cartel: Gilberto Jose & Miguel Angel RODRIGUEZ OREJUELA

TYPE OF INDUSTRY					
Agro-Industrial	Construction	Consulting	Investment		
<b>Bogota</b>					
	<ul style="list-style-type: none"> <li>• Sharper S.A.<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Construcciones Avendano Gutierrez y Cia. Ltda. (a.k.a. Conage Ltda.)<sup>8</sup></li> <li>• Construcciones Colombo-Andinas Ltda.<sup>7</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Direccion Comercial Y Marketing Consultoria Empresa Unipersonal (a.k.a. D.C.M. Consultoria E.U.)<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Claudia Pilar Rodriguez y Cia. S.C.S.<sup>7</sup></li> <li>• Fiduser Ltda.<sup>8</sup></li> <li>• Inversiones Geele Ltda. (f.k.a. Ganadera Caqueta Ltda.)<sup>3</sup></li> <li>• Valores Corporativos S.A. (a.k.a. Valorcorp S.A.)<sup>4</sup></li> </ul>	
<b>Cali</b>					
REGION		<ul style="list-style-type: none"> <li>• Agricola Humyami Ltda.<sup>3</sup></li> <li>• Comercializadora de Carnes del Pacifico Ltda.<sup>3</sup></li> <li>• Export Cafe Ltda.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Andina de Construcciones S.A. (n.k.a. Interamericana de Construcciones S.A.)<sup>3</sup></li> <li>• Constructora Central del Valle Ltda. (a.k.a. C.C.V. Ltda.)<sup>6</sup></li> <li>• Constructora Gopeva Ltda.<sup>3</sup></li> <li>• Constructora Tremi Ltda.<sup>3</sup></li> <li>• Interamericana de Construcciones S.A. (f.k.a. Andina de Construcciones S.A.)<sup>4</sup></li> <li>• Inversiones y Construcciones ABC S.A. (f.k.a. Inversiones Camino Real S.A.)<sup>7</sup></li> <li>• Inversiones y Construcciones Atlas Ltda. (f.k.a. Inversiones Mompax Ltda.; f.k.a. Mompax Ltda.)<sup>5</sup></li> <li>• Inversiones y Construcciones Cosmovalle Ltda. (f.k.a. Inversiones y Distribuciones Compax Ltda.; a.k.a. Compax Ltda.)<sup>4</sup></li> <li>• Reparaciones y Construcciones Ltda. (a.k.a. Reconstruye Ltda.)<sup>7</sup></li> <li>• Valores Mobiliarios de Occidente S.A.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Asesorias de Ingenieria Empresa Unipersonal (a.k.a. Asing E.U.)<sup>10</sup></li> <li>• Asesorias Economicas Munoz Santacoloma E.U. (a.k.a. Asems E.U.)<sup>10</sup></li> <li>• Asesorias Profesionales Especializadas en Negocios E.U. (a.k.a. Aspen E.U.)<sup>10</sup></li> <li>• Prospectiva Empresa Unipersonal (a.k.a. Prospectiva E.U.)<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 2000 Dose E.U. (a.k.a. Doma E M)<sup>10</sup></li> <li>• A G Representaciones Ltda.<sup>14</sup></li> <li>• Amparo Rodriguez de Gil y Cia S. en C.<sup>3</sup></li> <li>• Asesorias Cosmos Ltda.<sup>3</sup></li> <li>• Internacional de Divisas S.A.<sup>10</sup></li> <li>• Inversiones Ara Ltda.<sup>3</sup></li> <li>• Inversiones Camino Real S.A.<sup>3</sup></li> <li>• Inversiones Capital Ltda.<sup>14</sup></li> <li>• Inversiones Jaer Ltda.<sup>6</sup></li> <li>• Inversiones La Sexta Ltda.<sup>3</sup></li> <li>• Inversiones Miguel Rodriguez e Hijo<sup>1</sup></li> <li>• Inversiones Mompax Ltda. (a.k.a. Mompax Ltda)<sup>3</sup></li> <li>• Inversiones Mondragon y Cia. S.C.S. (f.k.a. Mariela de Rodriguez y Cia. S. en C.)<sup>7</sup></li> <li>• Inversiones Rodriguez Arbelaez y Cia S. en C.<sup>3</sup></li> <li>• Inversiones Rodriguez Moreno y Cia S. en C.<sup>3</sup></li> <li>• Inversiones Rodriguez Ramirez y Cia S.C.S.S.<sup>3</sup></li> <li>• Inversiones San Jose Ltda.<sup>6</sup></li> <li>• Inversiones y Comercializadora Ramirez y Cia. Ltda.<sup>8</sup></li> <li>• Inversiones y Distribuciones Compax Ltda. (a.k.a. Compax Ltda.; n.k.a. Inversiones y Construcciones Cosmovalle Ltda.)<sup>3</sup></li> <li>• M. Rodriguez O. y Cia S. en C.<sup>3</sup></li> <li>• Mariela de Rodriguez Y Cia S. en C.<sup>3</sup></li> <li>• Mariela Mondragon de R. y Cia. S. en C.<sup>7</sup></li> <li>• Marin Estrada y Cia. S. en C.S.<sup>6</sup></li> <li>• Muñoz y Rodriguez y Cia. Ltda.<sup>3</sup></li> <li>• Obursatiles S.A. (a.k.a. Operaciones Bursatiles S.A. Comisionista de Bolsa)<sup>11</sup></li> </ul>
	<b>Outside of Colombia</b>				
	Bahamas				<ul style="list-style-type: none"> <li>• Ardila-Marmolejo, Ltd (f.k.a. Huyo-Giraldo, Ltd.)<sup>12</sup></li> <li>• Galaviz Corporation Ltd.<sup>14</sup></li> <li>• Sepulveda-Iragorri Ltd.<sup>13</sup></li> </ul>
	British Virgin Islands				<ul style="list-style-type: none"> <li>• Kesman Overseas<sup>13</sup></li> <li>• Zaratan Corporation<sup>13</sup></li> </ul>
	Florida (U.S.)	<b>Footnotes indicate date of designation by OFAC.</b> (1) 21-Oct-1995                      (8) 22-Feb-2000 (2) 29-Nov-1995                      (9) 22-Dec-2000 (3) 5-Mar-1996                        (10) 6-Feb-2003 (4) 17-Apr-1997                       (11) 21-Mar-2003 (5) 30-Jul-1997                        (12) 8-May-2003* (6) 26-May-1998                       (13) 17-Oct-2003 (7) 8-Jun-1999                         (14) 17-Nov-2004  * Blocked Pending Investigation.			<ul style="list-style-type: none"> <li>• Ash Trading, Inc.<sup>13</sup></li> <li>• Internacional de Divisas S.A., LLC <sup>11</sup></li> <li>• Sepulveda-Iragorri, Inc. <sup>12*</sup></li> </ul>
	Panama				<ul style="list-style-type: none"> <li>• Farfalla Investment S.A.<sup>14</sup></li> </ul>
	Spain				

**TYPE OF INDUSTRY**

Radio/Sport	Real Estate	Other	
<b>Bogota</b>			
		<ul style="list-style-type: none"> <li>• Consultoria Santafe E.U.<sup>10</sup></li> <li>• Servicios de la Sabana E.U. (a.k.a. Serbana E.U.)<sup>10</sup></li> </ul>	
<b>Cali</b>			
<ul style="list-style-type: none"> <li>• Color 89.5 FM Stereo (a.k.a. Radio Unidas FM S.A.)<sup>3</sup></li> <li>• Corporacion Deportiva America (a.k.a. Club Deportiva America, Club America de Cali)<sup>7</sup></li> <li>• Creaciones Deportivas Willington Ltda.<sup>3</sup></li> <li>• Farallones Stereo 91.5 FM (a.k.a. Radio Unidas FM S.A.)<sup>3</sup></li> <li>• Radio Unidas FM S.A. (a.k.a. Color 89.5 FM Stereo and Farallones Stereo 91.5 FM)<sup>3</sup></li> <li>• Revista del America Ltda.</li> <li>• Sociedad Comercial y Deportiva Ltda.<sup>7</sup></li> <li>• Sonar FM E.U. Dieter Murrele (a.k.a. Prisma Stereo 89.5 FM, Fiesta Stereo 91.5 FM)<sup>7</sup></li> <li>• Sonar FM S.A. (f.k.a. Radio Unidas FM S.A., Color Stereo S.A., Color's S.A.)<sup>7</sup></li> </ul>		<ul style="list-style-type: none"> <li>• Alero S.A.<sup>14</sup></li> <li>• Aspoir del Pacifico y Cia. Ltda.<sup>3</sup></li> <li>• Clinica Especializada del Valle S.A.<sup>11</sup></li> <li>• Comercializadora Orobanca S.A. (a.k.a. Socir S.A.)<sup>3</sup></li> <li>• Comteco Ltda. (a.k.a. Comunicaciones Tecnicas de Colombia Limitada)<sup>8</sup></li> <li>• Comunicacion Visual Ltda. (a.k.a. Comvis Ltda.)<sup>9</sup></li> <li>• Contactel Comunicaciones S.A.<sup>7</sup></li> <li>• D'Cache S.A.<sup>7</sup></li> <li>• Derecho Integral y Cia. Ltda.<sup>3</sup></li> <li>• Distribuidora Migil Cali S.A. (a.k.a. Migil; a.k.a. Distribuidora Migil Ltda; a.k.a. Gran Cadena de Almacenes S.A.; a.k.a. Gracadal S.A.; n.k.a. Dism)<sup>1</sup></li> <li>• Fundacion Vivir Mejor (a.k.a. F.V.M.)<sup>13</sup></li> <li>• Fundaser (a.k.a. Fundacion Para el Servicio del Ser Integral; a.k.a. Fundacion de Cali Para el Desarrollo Humano; a.k.a. Fundecal)<sup>13</sup></li> <li>• Haydee de Muñoz y Cia. S. en C.<sup>3</sup></li> <li>• Hielo Cristal y Refrigeracion Ltda. (a.k.a. Cuatro Frio)<sup>11</sup></li> <li>• Industrial de Gestion de Negocios E.U.<sup>7</sup></li> <li>• M C M y Cia. Ltda.<sup>8</sup></li> <li>• M.O.C. Echeverry Hermanos Ltda.<sup>7</sup></li> <li>• Maxitiendas Todo en Uno<sup>3</sup></li> <li>• Media Marketing E.U.<sup>10</sup></li> <li>• Occidental Comunicaciones Ltda.<sup>8</sup></li> <li>• Parque Industrial Las Delicias Ltda.<sup>6</sup></li> <li>• Producciones Carnaval del Norte y Compania Limitada<sup>8</sup></li> <li>• Recitec Ltda.<sup>8</sup></li> <li>• Representaciones Zatzta Ltda.<sup>14</sup></li> <li>• Soraya y Haydee Ltda.<sup>9</sup></li> <li>• Supertiendas La Rebaja (a.k.a. Distribuidora Migil Cali S.A.)<sup>2</sup></li> <li>• Tobogon<sup>3</sup></li> </ul>	
<b>Outside of Colombia</b>			
			Bahamas
			British Virgin Islands
			Florida (U.S.)
			Panama
	<ul style="list-style-type: none"> <li>• Inversiones Carfeni, S.L.<sup>13</sup></li> <li>• Inversiones Claupí S.L.<sup>10</sup></li> <li>• Inversiones Espanolas Femcar S.L.<sup>10</sup></li> <li>• Inversiones Inmobiliarias Valeria S.L.<sup>10</sup></li> <li>• Jaromo Inversiones S.L.<sup>10</sup></li> <li>• Valores Corporativos Espanoles S.L.<sup>10</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 2000-Dodge S.L.<sup>10</sup></li> <li>• Café Andino S.L.<sup>10</sup></li> <li>• CPV Sistemas Graficos S.L.<sup>10</sup></li> <li>• Customer Networks S.L.<sup>10</sup></li> <li>• Galeria de Portales, S.A.<sup>12</sup></li> <li>• Rodríguez Y Tolbanos S.A.<sup>10</sup></li> <li>• Sociedad Inversora en Proyectos de Internet, S.A.<sup>13</sup></li> </ul>	Spain

**REGION**

RODRIGUEZ OREJUELA Business Logos

**DROGAS LA REBAJA**



## SANTACRUZ LONDOÑO ORGANIZATION

### *Background:*

In the late 1970s, Jose SANTACRUZ LONDOÑO was first arrested by U.S. authorities on drug charges. After being released, he continued his drug trafficking activities and by April 1980, he had become a Drug Enforcement Administration (“DEA”) fugitive. SANTACRUZ LONDOÑO was ultimately the subject of four U.S. federal indictments for drug trafficking and money laundering.

By 1990, Jose SANTACRUZ LONDOÑO was considered to be one of the highest ranking members of the Cali drug cartel leadership. He was also one of the most violent of the Cali drug cartel leaders—he was wanted for the 1989 assassination of the former governor of Antioquia, Colombia, Antonio Roldan Betancur, and ordered the 1992 slaying of a New York investigative journalist, Manuel de Dios Uname.

Although his talent rested in managing international cocaine transportation networks, his organization was also involved in drug production, wholesale distribution, money laundering, and playing a key role in the Cali drug cartel’s intelligence collection effort. SANTACRUZ LONDOÑO’s major U.S. wholesale cocaine distribution and money laundering operations centered around the New York City metropolitan area, but his organization also operated in Miami, Los Angeles, San Francisco, Houston, Las Vegas, and Chicago.

In June 1995, a federal grand jury in Miami, Florida issued a historic RICO indictment against the leaders of the Cali drug cartel, including Jose SANTACRUZ LONDOÑO, and charged the Cali drug cartel with the importation of 200,000 kilograms of cocaine and the laundering of \$2 billion from 1983 through 1995. On July 4, 1995, Jose SANTACRUZ LONDOÑO was arrested by Colombian authorities in Bogota.

On October 24, 1995, SANTACRUZ LONDOÑO was designated by the President in the Annex to E.O. 12978. OFAC subsequently designated 20 businesses and 11 individuals involved with the Jose SANTACRUZ LONDOÑO organization—almost all located in Cali, Colombia.

On January 11, 1996, Jose SANTACRUZ LONDOÑO escaped from La Picota prison in Bogota, Colombia. In March 1996, SANTACRUZ LONDOÑO was killed outside of Medellin, Colombia.

As is often the case, family members and associates of SANTACRUZ LONDOÑO attempted to preserve his organization’s existing assets by changing the names of already designated companies. OFAC followed these attempted evasions and in July 1997, OFAC designated an additional five front companies and five individuals acting for or on behalf of the SANTACRUZ LONDOÑO organization.

*Related Impact:*

OFAC designations and economic sanctions played a key role in the commercial and financial isolation of the SANTACRUZ LONDOÑO businesses in Colombia, in publicly exposing the SANTACRUZ LONDOÑO organization, and in increasing Colombian law enforcement pressure targeting SANTACRUZ LONDOÑO's associates and financial assets:

SECTION 2

- ◆ In October 2003, the Colombian Government proceeded with the forfeiture of 201 properties that were held in the name of two front companies designated by OFAC as SDNTs and controlled by Jose SANTACRUZ LONDOÑO and his family.
- ◆ In April 2004, the Colombian Government announced that they had two ongoing asset forfeiture investigations against 644 properties of SANTACRUZ LONDOÑO. At the time of the announcement, the investigations had already resulted in the forfeiture of 295 of these properties.
- ◆ In October 2005, the Colombian police seized 137 properties belonging to two front individuals for Jose SANTACRUZ LONDOÑO.

The SANTACRUZ LONDOÑO organization was seriously impaired as a result of Jose SANTACRUZ LONDOÑO's arrest, OFAC sanctions, Jose SANTACRUZ LONDOÑO's subsequent death, and the Colombian Government's subsequent seizure and forfeiture of the assets and companies belonging to the SANTACRUZ LONDOÑO organization, as recently as October 2005.

# SANTACRUZ LONDOÑO ORGANIZATION



**DECEASED**

## Jose SANTACRUZ LONDOÑO

**Deceased:** 5-Mar-96

**Aliases:** "Chepe"

**Date of Designation:** 21-Oct-1995

**POB:** Colombia

**DOB:** 1-Oct-1943

**Cedula Number:** 14432230

**Passport Number:** AB149814

**Indictments:** The subject of 4 indictments in the U.S, including 1995 RICO indictment of Cali cartel in Southern District of Florida.

**Arrests/Convictions:** Arrested by U.S authorities in the late 1970s. Arrested by Colombian authorities in Bogota on 4-Jul-1995 (Escaped 11-Jan-1996). Murdered in Mar-1996.

## KEY FAMILY MEMBERS



**Amparo  
CASTRO DE SANTACRUZ**  
Designation Date: 21-Oct-1995  
Relationship: Wife  
Cedula: 38983611  
DOB: 13-Jan-1948



**Ana Milena  
SANTACRUZ CASTRO**  
Designation Date: 21-Oct-1995  
Relationship: Daughter  
Cedula: 31929808  
DOB: 31-Mar-1965

## KEY BUSINESS ASSOCIATES



**Hector Fabio  
BORRERO QUINTERO**  
Designation Date: 21-Oct-1995  
Cedula: 14945412  
DOB: 10-Feb-1948



**Hugo  
MAZUERO ERAZO**  
Designation Date: 21-Oct-1995  
Cedula: 2445590  
DOB: 17-Jul-1936

## Cali Drug Cartel: Jose SANTACRUZ LONDOÑO

TYPE OF INDUSTRY					
		Agro-Industrial	Construction	Investment/Real Estate	Other Commercial
<b>BY REGION</b>	<b>Bogota</b>				
	Bogota			<ul style="list-style-type: none"> <li>Aureal Inmobiliaria Ltda.<sup>1</sup></li> </ul>	
	<b>Cali</b>				
Cali	<ul style="list-style-type: none"> <li>Caviedes Dileo y Cia S.C.S.<sup>4</sup></li> <li>Caucalito Ltda. (f.k.a. Ganadera Ltda.; f.k.a. Ganaderia)<sup>2</sup></li> <li>Comercializacion y Financiacion de Automotores S.A. (a.k.a. Comfiautos S.A.)<sup>3</sup></li> <li>Construcciones Astro S.A. (f.k.a. Sociedad Constructora La Cascada S.A.; f.k.a. Constructora Cascada)<sup>2</sup></li> <li>Ganadera Ltda. (n.k.a. Caucaquito Ltda)<sup>1</sup></li> <li>Grupo Santa Ltda.<sup>1</sup></li> <li>Hacienda La Novillera (a.k.a. Novillera Ganadera)<sup>1</sup></li> <li>Hacienda Sandrana (a.k.a. Sandrana; a.k.a. Sandrana Ganadera)<sup>1</sup></li> <li>Inmobiliaria Aurora Ltda.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Inmobiliaria Samaria Ltda. &amp; Cia. S. en C. (n.k.a. Negocios Los Sauces Ltda. y Cia S.C.S.)<sup>1</sup></li> <li>Intercreditos S.A. (a.k.a. Comercio Inversiones y Creditos Integral S.A.; a.k.a. Intercreditos Bogota; a.k.a. Intercreditos Cali.)<sup>1</sup></li> <li>Inversiones El Paso Ltda. y Cia S.C.S.(n.k.a. Miraluna Ltda y Cia. S.C.S.; f.k.a. Inversiones Negoagricola S.A.)<sup>1</sup></li> <li>Inversiones Integral Ltda.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Inversiones Integral y Cia S.C.A.<sup>1</sup></li> <li>Inversiones Santa Ltda. (f.n.a. Inversiones y Construcciones Santa Ltda.)<sup>1</sup></li> <li>Miraluna Ltda. (f.k.a. El Paso Ltda.)<sup>3</sup></li> <li>Negocios Los Sauces Ltda. (f.k.a. Samaria Ltda.)<sup>2</sup></li> <li>Negocios Los Sauces Ltda. y Cia. S.C.S. (f.k.a. Inmobiliaria Samaria Ltda.)<sup>2</sup></li> <li>Prevencion y Analisis de Riesgos Previa S.A. (a.k.a. Previa S.A.)<sup>1</sup></li> <li>Samaria Arrendamiento<sup>1</sup></li> <li>Samaria Canas<sup>1</sup></li> <li>Samaria Intereses<sup>1</sup></li> <li>Samaria Ltda. (n.k.a. Negocios Los Sauces Ltda.)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Samaria Tierras<sup>1</sup></li> <li>Sandrana Canas<sup>1</sup></li> <li>Sociedad Constructora La Cascada S.A. (n.k.a. Construcciones Astro S.A.; f.k.a. Constructora La Cascada S.A.)<sup>1</sup></li> <li>Urbanizaciones y Construcciones Ltda. de Cali<sup>3</sup></li> </ul>	

**Footnotes indicate the date of designation by OFAC.**

- (1) 21-Oct-1995
- (2) 30-Jul-1997
- (3) 8-Jun-1999
- (4) 7-Dec-2000

## HERRERA BUITRAGO ORGANIZATION

### *Background:*

Helmer HERRERA BUITRAGO (a.k.a. “Pacho” HERRERA), considered to be one of the highest ranking members of the Cali drug cartel leadership, started his criminal career selling relatively small amounts of cocaine in New York where he was arrested in the 1970s. By the early 1980s, Pacho HERRERA personally directed cocaine distribution and money laundering activities in the New York City area on behalf of the Gilberto and Miguel RODRIGUEZ OREJUELA organization. By 1990, Pacho HERRERA had established his own family-run cocaine trafficking operations and had become a major supplier of cocaine for both the New York and South Florida illicit markets. Pacho HERRERA was the subject of two federal indictments for drug trafficking issued by the U.S. Attorney’s Office for the Eastern District of New York.

In June 1995, a federal grand jury in Miami, Florida issued a historic RICO indictment against the leaders of the Cali drug cartel, including Pacho HERRERA, and charged the Cali drug cartel with the importation of 200,000 kilograms of cocaine and the laundering of \$2 billion from 1983 through 1995.

On October 21, 1995, Helmer HERRERA BUITRAGO was named an SDNT principal individual by the President in the Annex to Executive Order 12978 along with three other leaders of Colombia’s Cali drug cartel. On March 5, 1996, OFAC designated 19 companies and an additional 69 individuals acting for or on behalf of Pacho HERRERA.

In September 1996, Pacho HERRERA surrendered to Colombian authorities and was incarcerated.

During 1997 in three separate actions, an additional 24 entities and 58 individuals were designated by OFAC as fronts for the HERRERA BUITRAGO organization, which Pacho HERRERA continued to run from his Colombian prison cell.

In November 1998, Pacho HERRERA BUITRAGO was murdered in a Colombian prison by rival drug cartel leaders.

Family members and associates of HERRERA BUITRAGO attempted to preserve the organization’s existing assets by restructuring or changing the names of companies designated since March 1996. OFAC followed these attempted evasions and in June 1999, OFAC designated an additional nine front companies acting for or on behalf of the HERRERA BUITRAGO organization.

### *Related Impact:*

The OFAC designations and economic sanctions played a key role in the commercial and financial isolation of the HERRERA BUITRAGO businesses in Colombia, in helping publicly expose

the HERRERA BUITRAGO organization, and in increased Colombian law enforcement pressure targeting HERRERA BUITRAGO's associates and financial assets. Multiple companies, including many of those designated by OFAC, and other properties have been seized by Colombian authorities and are pending forfeiture. For example:

## SECTION 2

- ◆ In November 2003, a Cali judge ordered the forfeiture of 1,256 Pacho HERRERA properties, including apartments, ranches, warehouses, and commercial real estate, which were estimated by Colombian authorities to be worth over \$80 million.
- ◆ In September 2005, Colombian authorities seized 411 additional Pacho HERRERA properties, estimated to be worth more than \$14 million.
- ◆ In May 2006, two front persons for Pacho HERRERA were being prosecuted in Colombia for unexplained income generated between 1998 and 2000 through their company, designated by OFAC as a Pacho HERRERA front in 1997.

The HERRERA BUITRAGO organization was seriously impaired as a result of OFAC's sanctions since March 1996, Pacho HERRERA's incarceration in September 1996, his subsequent death in prison in November 1998, the Colombian Government's subsequent seizure and forfeiture of the assets and companies belonging to the HERRERA BUITRAGO organization, and criminal prosecution of HERRERA BUITRAGO associates, as recently as May 2006.

# HERRERA BUITRAGO ORGANIZATION



**DECEASED**

## Helmer HERRERA BUITRAGO

**Deceased:** 1998 (Murdered in prison)

**Aliases:** "Pacho"

**Date of Designation:** 21-Oct-1995

**POB:** Colombia

**DOB:** 24-Aug-1951

**Cedula Number:** 16247821

**Passport Number:** J287011

**Indictments:** Subject of two federal indictments for drug trafficking in the Eastern District of New York; 1995 RICO indictment of Cali drug cartel in Southern District of Florida.

**Arrests/Convictions:** Arrested by U.S. authorities in New York in 1975 and 1979. On 1-Sept-1996, surrendered to Colombian authorities. Remained incarcerated until murdered in prison in Nov-1998.

## KEY FAMILY MEMBERS



**Luz Mery  
BUITRAGO DE HERRERA**  
Designation Date: 5-Mar-1996  
Relationship: Mother  
Cedula: 29641219  
DOB: 24-Aug-1924



**Stella  
HERRERA BUITRAGO**  
Designation Date: 5-Mar-1996  
Relationship: Sister  
Cedula: 31143871  
DOB: 7-Oct-1953



**Sulay  
HERRERA BUITRAGO**  
Designation Date: 5-Mar-1996  
Relationship: Sister  
Cedula: 31176167  
DOB: 27-Nov-1967



**William  
HERRERA BUITRAGO**  
Designation Date: 15-Jan-1997  
Relationship: Brother  
Cedula: 16716887  
DOB: 29-Nov-1964



**Alvaro  
HERRERA BUITRAGO**  
Designation Date: 5-Mar-1996  
Relationship: Brother  
Cedula: 16258303  
DOB: 10-Oct-1955



**Nubia  
BUITRAGO MARIN**  
Designation Date: 5-Mar-1996  
Relationship: Aunt  
Cedula: 31132922  
DOB: 5-Apr-1948

## KEY BUSINESS ASSOCIATES



**Phanor  
ARIZABALETA ARZAYUS**  
Designation Date: 15-Jan-1997  
Cedula: 2879530  
DOB: 12-May-1938



**Juan Carlos  
MONTAYA MARTINEZ**  
Designation Date: 15-Jan-1997  
Cedula: 16801475  
DOB: 11-Oct-1966



**Ricardo Jose  
LINARES REYES**  
Designation Date: 5-Mar-1996  
Cedula: 14440139  
DOB: 8-Mar-1955



**Rafael Alberto  
CULZAT LUGSIR**  
Designation Date: 15-Jan-1997  
Cedula: 14962523  
DOB: 23-Oct-1940



**Jose Isidro  
JAIMES RIVERA**  
Designation Date: 5-Mar-1996  
Cedula: 10090006  
DOB: 7-Nov-1949



**Delia Nhora  
RAMIREZ CORTES**  
Designation Date: 5-Mar-1996  
Cedula: 38943729  
DOB: 20-Jan-1959

# Cali Drug Cartel: Helmer HERRERA BUITRAGO

TYPE OF INDUSTRY					
		Agro-Industrial	Construction	Investment	Retail/Other
<b>BY REGION</b>	<b>Central Colombia</b>				
	Pereira				<ul style="list-style-type: none"> <li>Colombiana de Cerdos Ltda. (a.k.a. Colcerdos Ltda.)<sup>5</sup></li> <li>Comercializadora de Carnes Ltda. (a.k.a. Comecarnes Ltda.)<sup>6</sup></li> <li>Matadero Metropolitano Ltda.<sup>5</sup></li> </ul>
	<b>Valle del Cauca</b>				
	Palmira	<ul style="list-style-type: none"> <li>Valle de Oro S.A.<sup>2</sup></li> </ul>			
	<b>Cali</b>				
	Cali	<ul style="list-style-type: none"> <li>Agropecuaria Betania Ltda. (n.k.a. Valladares Ltda.)<sup>1</sup></li> <li>Agropecuaria La Robleda S.A. (n.k.a. Manaure S.A.)<sup>2</sup></li> <li>Agropecuaria y Reforestadora Herrebe Ltda (n.k.a. Inversiones Geminis S.A.)<sup>1</sup></li> <li>Criadero de Pollos El Rosal S.A. (f.k.a. Industria Avicola Palmaseca S.A.)<sup>4</sup></li> <li>Ganaderias del Valle S.A.<sup>2</sup></li> <li>Industria Avicola Palmaseca S.A. (n.k.a. Criadero de Pollos El Rosal S.A.)<sup>1</sup></li> <li>Industria Maderera Arca Ltda.<sup>2</sup></li> <li>Inversiones Agricolas Avicolas y Ganaderas La Carmelita Ltda.<sup>2</sup></li> <li>Inversiones Geminis S.A. (f.k.a. Agropecuaria y Reforestadora Herrebe Ltda.)<sup>1</sup></li> <li>Inversiones y Construcciones Valle S.A. (a.k.a. Incovalle S.A.)<sup>1</sup></li> <li>Manaure S.A. (f.k.a. Agropecuaria La Robleda S.A.)<sup>3</sup></li> <li>Mercavicola S.A.<sup>2</sup></li> <li>Procesadora de Pollos Superior S.A. (f.k.a. Comercializadora Internacional Valle de Oro S.A.)<sup>2</sup></li> <li>Prohuevo de Colombia Ltda.<sup>2</sup></li> <li>Valladares Ltda (f.k.a. Agropecuaria Betania Ltda.)<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>Concretos Cali S.A.<sup>1</sup></li> <li>Constructora Dimisa S.A.<sup>1</sup></li> <li>Constructora El Nogal S.A. (f.k.a. Construxito S.A., Cone S.A.)<sup>5</sup></li> <li>Construxito S.A. (a.k.a. Cone S.A.)<sup>1</sup></li> <li>Construvida S.A.<sup>2</sup></li> <li>Distribuidora de Elementos Para La Construccion S.A. (a.k.a. D'elcon S.A.)<sup>5</sup></li> <li>Sociedad Constructora y Administradora del Valle Ltda. (a.k.a. Socovalle Ltda.)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Adminstracion Inmobiliaria Bolivar S.A.<sup>1</sup></li> <li>Alkala Asociados S.A. (f.k.a. Invheresa S.A.)<sup>5</sup></li> <li>Compañia Administradora de Vivienda S.A. (f.k.a. Inversiones Geminis S.A.)<sup>5</sup></li> <li>Consultoria Empresarial Especializada Ltda.<sup>2</sup></li> <li>Inmobiliaria Bolivar Ltda.<sup>2</sup></li> <li>Inmobiliaria U.M.V. S.A.<sup>1</sup></li> <li>Inversiones Ario Ltda.<sup>2</sup></li> <li>Inversiones Betania Ltda.<sup>1</sup></li> <li>Inversiones Culzat Guevara y Cia. S.C.S.<sup>2</sup></li> <li>Inversiones El Gran Cristol Ltda. (f.k.a. W Herrera y Cia. S. en C.)<sup>5</sup></li> <li>Inversiones El Peñon S.A.<sup>1</sup></li> <li>Inversiones Invervalle S.A.<sup>1</sup></li> <li>Inversiones Herrebe Ltda.<sup>1</sup></li> <li>Inversiones Villa Paz S.A.<sup>2</sup></li> <li>Invheresa S.A.<sup>2</sup></li> <li>San Mateo S.A. (f.k.a. Inversiones Betania Ltda., Inversiones Betania S.A.)<sup>5</sup></li> <li>San Vicente S.A. (f.k.a. Inversiones Invervalle S.A., Invervalle S.A.)<sup>5</sup></li> <li>Servicios Inmobiliarios Ltda.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Importadora y Comercializadora Ltda. (a.k.a. Imcomer Ltda.)<sup>2</sup></li> <li>Interventoria, Consultoria y Estudios Ltda. (a.k.a. Incoes Ltda.)<sup>2</sup></li> <li>Serviautos Uno A 1A Limitada (a.k.a. Diagnosticentro La Garantia)<sup>6</sup></li> <li>Valle Comunicaciones Ltda. (a.k.a. Vallecom Ltda.)<sup>1</sup></li> <li>Viajes Mercurio Ltda.<sup>1</sup></li> </ul>
	<b>Bogota</b>				
	Bogota		<ul style="list-style-type: none"> <li>Constructora Altos del Retiro Ltda.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Inmobiliaria Gales Ltda.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Comercial de Negocios Claridad y Cia. S. en C.<sup>2</sup></li> <li>Comercializadora Experta y Cia. S. en C.<sup>2</sup></li> </ul>
	<b>Footnotes indicate the date of designation by OFAC.</b>				
	(1) 5-Mar-1996		(4) 30-Jul-1997		
(2) 15-Jan-1997		(5) 8-Jun-1999			
(3) 17-Apr-1997		(6) 22-Feb-2000			

## VALENCIA TRUJILLO ORGANIZATION

### *Background:*

Since 1979, Joaquin Mario VALENCIA TRUJILLO and Guillermo VALENCIA TRUJILLO have been active in narcotics trafficking. The VALENCIA TRUJILLO organization has had a close relationship with other Cali drug cartel leaders, such as Helmer HERRERA BUITRAGO. Joaquin Mario VALENCIA TRUJILLO and his brother Guillermo VALENCIA TRUJILLO have also worked with other drug trafficking organizations led by Juan Carlos RAMIREZ ABADIA, and Ivan URDINOLA GRAJALES.

SECTION 2

In August 2002, Joaquin Mario VALENCIA TRUJILLO was indicted by a federal grand jury in Middle District of Florida for allegedly moving more than 100 tons of cocaine, estimated to be as much as 20 percent of the cocaine entering the United States each year.

On January 31, 2003, Joaquin Mario VALENCIA TRUJILLO was arrested in Bogota, Colombia on U.S. drug trafficking and money laundering charges, based upon his control of a large-scale maritime drug trafficking operation centered in Colombia that threaded through Chile, Ecuador, Mexico, and Panama to the U.S. cities of Tampa, Miami, Houston, New York and Los Angeles.

On March 27, 2003, seven weeks after the arrest of Joaquin Mario VALENCIA TRUJILLO, OFAC designated Joaquin Mario and Guillermo VALENCIA TRUJILLO as SDNT principal individuals along with 28 individuals involved with supporting their financial network. In addition, 28 front companies in the VALENCIA TRUJILLO's financial network were named, including a prominent *paso fino* horse farm, *Criadero La Luisa*, an industrial paper manufacturer, *Unipapel S.A.*, a plastics company, *Geoplasticos S.A.*, a maritime services provider, *Gran Muelle S.A.*, and five financial firms, *Compania de Fomento Mercantil S.A.*, *Credisa S.A.*, *Finve S.A.*, *Gestora Mercantil S.A.*, and *Unidas S.A.*, all located in Colombia. OFAC worked closely with the U.S. Attorney's Office for the Middle District of Florida and "Operation Panama Express," a multi-agency drug task force based out of Tampa, Florida, in connection with the designation of Joaquin Mario VALENCIA TRUJILLO and his financial network.

In March 2004, Joaquin Mario VALENCIA TRUJILLO was extradited to the United States to stand trial. In October 2006, he was found guilty by a federal grand jury in Tampa of drug trafficking and money laundering charges. On February 1, 2007, the court sentenced Joaquin Mario VALENCIA TRUJILLO to 40 years in prison and ordered him to forfeit \$110 million.

### *Related Impact:*

OFAC designations of March 27, 2003, helped identify the VALENCIA TRUJILLO business empire. The following are examples of how some members and entities of the VALENCIA TRUJILLO organization were isolated commercially:

- ◆ *Criadero La Luisa E.U.*, an internationally-recognized breeder of *paso fino* horses, maintained an average of approximately 300 horses, some of which are worth more than \$1 million. *Criadero La Luisa* sold highly-valued horse sperm for breeding to overseas clients, especially in the United States, which accounted for the majority of the horse sales and breeding service business. After the OFAC designation, these commercial and financial relationships with U.S. persons were shut down.
- ◆ *Unipapel S.A.*, a large industrial paper company located in the Yumbo area outside of Cali, Colombia was principally run by Guillermo VALENCIA TRUJILLO. *Unipapel S.A.* was forced to close after the OFAC action and was unsuccessful in its attempts to find a buyer.
- ◆ The arrest in Colombia and subsequent OFAC designation of Joaquin Mario VALENCIA TRUJILLO shocked the public who knew him as a prominent breeder of *paso fino* horses and his wife, Luz Mery TRISTAN GIL, as a national skating champion in Colombia (see “VALENCIA TRUJILLO ORGANIZATION: EXAMPLES OF FAMILY MEMBERS INVOLVEMENT” box on the next page).

OFAC designations helped publicly expose the VALENCIA TRUJILLO organization and played a key role in increased Colombian law enforcement pressure targeting VALENCIA TRUJILLO’s associates and financial assets. The Colombian Government has seized approximately \$25 million in assets of the VALENCIA TRUJILLO organization, including many of the companies already designated by OFAC. The Colombian Government is moving these seizures to forfeiture proceeding:

- ◆ In February 2003, the Colombian Government seized the *paso fino* horse breeding farm *Criadero La Luisa* and more than 300 *paso finos* horses belonging to Joaquin Mario VALENCIA TRUJILLO. In addition, they seized his residence in Cali, Colombia (valued at over \$7 million) in which they discovered over 54 valuable works of art and armored vehicles.
- ◆ In March 2003, the Colombian Government seized an additional 35 properties belonging to Joaquin Mario VALENCIA TRUJILLO, including 8 companies designated by OFAC.
- ◆ In August 2003, Colombian authorities seized three large farms belonging to the VALENCIA TRUJILLO organization valued at approximately \$500 thousand.
- ◆ In June 2005, Colombian prosecutors requested forfeiture of over \$13 million in previously seized assets belonging to Joaquin Mario VALENCIA TRUJILLO, including more than 300 *paso fino* horses, 10 companies, over 20 properties, vehicles and works of art located in the cities of Cali, Jamundi, Buenaventura, Candelaria, Calima and Yumbo in the Valle region of Colombia.

## VALENCIA TRUJILLO ORGANIZATION: EXAMPLES OF FAMILY MEMBERS INVOLVEMENT

Prior to designation, Joaquin Mario VALENCIA TRUJILLO, by all appearances, was a prominent and respected businessman. However, his substantial business empire was created using illicit drug proceeds and was run by trusted family and friends (see underlined names below). These businesses burnished his reputation locally and internationally and gave him ready and immediate financial and commercial access around the world. He used this access in part to facilitate his drug trafficking operations. OFAC's designations not only helped dismantle his businesses, but also struck at these key managers of his businesses, who are now isolated in the Colombian business and financial communities. The following are examples of how he involved family and friends in his operations:

***Unipapel S.A.*** Joaquin Mario and Guillermo VALENCIA TRUJILLO's main joint financial holdings centered around the company *Unipapel S.A.*, a large industrial paper company located in the Yumbo area outside of Cali, Colombia. *Unipapel S.A.* managed the payroll for a large security contingent that protected Joaquin Mario VALENCIA TRUJILLO's family and corporate network. Agueda VALENCIA TRUJILLO, Joaquin Mario's sister managed the day-to-day operations of *Unipapel S.A.* from Cali and is also involved in the corporate management of several other front companies.

***Criadero La Luisa E.U.*** The crown jewel of Joaquin Mario VALENCIA TRUJILLO's financial investments is his *paso fino* horse breeding farm. Juan Pablo GAVIRIA PRICE, who has worked more than a decade for Joaquin Mario VALENCIA TRUJILLO, managed *Criadero La Luisa E.U.* Some reports suggest that the farm maintained about 300 horses. At the time, some of these horses were worth more than \$1 million a piece, and *Criadero La Luisa E.U.* sold highly-valued horse sperm for breeding to overseas clients.

***Gestora Mercantil S.A.*** Carmen VALENCIA TRUJILLO, another sister of Joaquin Mario and Guillermo, managed the financial aspects of the real estate company *Gestora Mercantil S.A.*

***Unidas S.A.*** Agueda, Adela, and Carmen VALENCIA, sisters of Mario VALENCIA, ran *Unidas S.A.*, a financial loan company. Mario VALENCIA provided the start-up money for this firm.

***Gran Muelle S.A.*** Guillermo VALENCIA TRUJILLO ran this Buenaventura-based maritime agency.

***Luz Mery Tristan E.U.*** Luz Mery TRISTAN GIL, Joaquin Mario VALENCIA TRUJILLO's wife and former roller skating star, owns *Luz Mery Tristan E.U.*, a roller skating promotion and merchandise company which includes the *Club Deportivo Luz Mery Tristan*, a large skating complex in Cali, Colombia.

# VALENCIA TRUJILLO ORGANIZATION



**Joaquin Mario  
VALENCIA TRUJILLO**

**Aliases:** "El Joven"  
**Date of Designation:** 27-Mar-2003  
**POB:** Cali, Valle, Colombia  
**DOB:** 21-Aug-1957  
**Cedula Number:** 16626888  
**Passport Number:** AC030971  
**Indictments:** Aug-2002: Middle District of Florida.  
**Arrests/Convictions:** 25-Jan-1979 arrested in Bogota, Colombia for drug trafficking. Arrested in Bogota, Colombia on 31-Jan-2003 pursuant to U.S federal indictment in the Middle District of Florida. Extradited Mar-2004 to the United States. Oct-2006, found guilty of drug trafficking and money laundering.



**Guillermo  
VALENCIA TRUJILLO**

**Aliases:** None  
**Date of Designation:** 27-Mar-03  
**POB:** Cali, Valle, Colombia  
**Cedula Number:** 14942909

## KEY FAMILY MEMBERS



**Agueda  
VALENCIA TRUJILLO**  
 Designation Date: 27-Mar-2003  
 Relationship: Sister  
 Cedula: 38943524  
 DOB: 10-Aug-1959



**Adela  
VALENCIA TRUJILLO**  
 Designation Date: 27-Mar-2003  
 Relationship: Sister  
 Cedula: 31277251  
 DOB: 20-Oct-1954



**Carmen Emilia  
VALENCIA TRUJILLO**  
 Designation Date: 27-Mar-2003  
 Relationship: Sister  
 Cedula: 31244070  
 DOB: 8-Apr-1952



**Luz Maria  
TRISTAN GIL**  
 Designation Date: 27-Mar-2003  
 Relationship:  
 Wife of Joaquin Mario Valencia  
 Cedula: 31895852  
 DOB: 1-Apr-1963



**Consuelo  
CASTANO CASTANO**  
 Designation Date: 27-Mar-2003  
 Relationship: Wife of Guillermo Valencia  
 Cedula: 29493435  
 DOB: 25-Feb-1951



**Alvaro  
VICTORIA CASTANO**  
 Designation Date: 27-Mar-2003  
 Relationship: Brother-in-law  
 Cedula: 14933828

## KEY BUSINESS ASSOCIATES



**Jose Freddy  
MAFLA POLO**  
 Designation Date: 27-Mar-2003  
 Cedula: 16689935



**Juan Pablo  
GAVIRIA PRICE**  
 Designation Date: 27-Mar-2003  
 Cedula: 16639081  
 DOB: 9-Jul-1960



**Fabio Herman  
FRANCO VALENCIA**  
 Designation Date: 27-Mar-2003  
 Cedula: 6076743  
 DOB: 6-Dec-1940



**Freddy  
RIVERA ZAPATA**  
 Designation Date: 27-Mar-2003  
 Cedula: 16602963



**Gonzalo  
CALDERON COLLAZOS**  
 Designation Date: 27-Mar-2003  
 Cedula: 14989778  
 DOB: 29-Sept-1952



**Sonia  
AGUILAR BERNAL**  
 Designation Date: 27-Mar-2003  
 Cedula: 31988264

## Cali Drug Cartel: Joaquin Mario & Guillermo VALENCIA TRUJILLO

TYPE OF INDUSTRY						
		Agricultural	Financial	Maritime	Paper	Other
<b>BY REGION</b>	<b>North Coast</b>					
	Santa Marta	<ul style="list-style-type: none"> <li>Bananera Agricola S.A.</li> </ul>				
	<b>Bogota</b>					
			<ul style="list-style-type: none"> <li>Finve S.A. (f.k.a. Financiera de Inversiones Ltda.)</li> </ul>		<ul style="list-style-type: none"> <li>Todobolsas y Colsobres (f.k.a. Rodriguez Carreno Ltda. Todo Bolsas y Colsobres)</li> </ul>	<ul style="list-style-type: none"> <li>Cia. Minera Dapa S.A.</li> <li>Servicios Aereo de Santander E.U. (a.k.a. S.A.S. E.U.)</li> </ul>
	<b>Cali</b>					
		<ul style="list-style-type: none"> <li>Criadero La Luisa E.U. (f.k.a. Industria Agropecuaria Santa Elena Ltda.)</li> <li>Granja La Sierra Ltda.</li> </ul>	<ul style="list-style-type: none"> <li>Compania de Fomento Mercantil S.A.</li> <li>Credisa S.A. (f.k.a. Comercializadora Automotriz S.A.)</li> <li>Gestora Mercantil S.A.</li> <li>J. Freddy Mafla y Cia. S.C.S.</li> <li>Unidas S.A.</li> </ul>		<ul style="list-style-type: none"> <li>Cia. Andina de Empaques Ltda. (a.k.a. Coempaques Ltda.)</li> <li>Geoplasticos S.A. (f.k.a. Colombiana de Bolsas S.A.)</li> <li>Occidental de Papeles Ltda. (a.k.a. Occipapel Ltda.)</li> </ul>	<ul style="list-style-type: none"> <li>Constructora Pynzar Ltda.</li> <li>Luz Mery Tristan E.U. (a.k.a. Club Deportivo Luz Mery Tristan World Class)</li> <li>Mira E.U.</li> <li>Novapinski Ltda.</li> <li>Pyza E.U.</li> </ul>
	<b>Valle de Cauca</b>					
	Buenaventura			<ul style="list-style-type: none"> <li>Dragados y Muelles Gaviota Ltda.</li> <li>Gran Muelle S.A.</li> <li>Trinidad Ltda. y Cia. S.C.S.</li> </ul>		
	Yumbo				<ul style="list-style-type: none"> <li>Bolsak E.U. (a.k.a. Bolsak S.A.)</li> <li>Unipapel S.A.</li> </ul>	
	<b>Southwestern Colombia</b>					
Puerto Tejada					<ul style="list-style-type: none"> <li>Construcciones Progreso del Puerto S.A. (a.k.a. Conpuerto S.A.)</li> <li>Parque Industrial Progreso S.A.</li> </ul>	
Popayan				<ul style="list-style-type: none"> <li>Valor Ltda. S.C.S.</li> </ul>		

All Designated by OFAC as SDNTs on 27-Mar-2003.





**40** MAP OF COLOMBIA *Cities in bold mark locations of North Valle drug cartel businesses.*

## NORTH VALLE CARTEL

The North Valle drug cartel, so named because its leaders are from the northern part of the Valle del Cauca region in Colombia, is considered one of Colombia's most powerful cocaine trafficking organizations. U.S. and Colombian law enforcement have investigated the assets of Colombia's North Valle drug cartel since the early 1990s. It began as a splinter group of the Cali drug cartel following the arrest and surrender of several Cali drug cartel leaders in the mid-1990s. The North Valle drug cartel has now overshadowed the Cali drug cartel. The North Valle drug cartel uses brutality and violence to further its goals. Members of the drug cartel have murdered rival drug traffickers, buyers who failed to pay for cocaine, and drug cartel members whose loyalty was suspect. Today, the North Valle drug cartel is a loose confederation of various drug trafficking families.

SECTION 3

The North Valle drug cartel's criminal activities led to a May 2004 U.S. federal RICO indictment against its leaders in the U.S. District Court for the District of Columbia. The 2004 RICO indictment claims that the North Valle drug cartel is responsible for one-third to one-half of the cocaine that reaches the shores of the United States. According to the indictment, the cartel worked together with various Colombian drug transportation specialists to transport multi-ton loads of cocaine from Peru, Colombia, and other locations within South America to Colombia. From Colombia, they shipped the cocaine loads to Mexico via speed boats, fishing vessels, and other maritime conveyances for ultimate delivery to the United States. Since 1990, the North Valle drug cartel has been able to export more than one million pounds of cocaine worth more than \$10 billion to the United States via Mexico.

In order to protect its distribution routes and cocaine laboratories, the drug cartel employs the services of the *Autodefensas Unidas de Colombia* ("AUC"),<sup>11</sup> a paramilitary group in Colombia that has been listed as a Foreign Terrorist Organization by the U.S. Department of State and a Tier I drug kingpin by the President pursuant to the Foreign Narcotics Kingpin Designation Act. The AUC also provides personal protection for North Valle drug cartel members and associates.

OFAC investigations in recent years have documented the extensive network of agricultural, aviation, cattle, commercial fruit production, investment, mining, pharmaceutical, and retail companies set up by North Valle drug cartel leaders and their front individuals.

11. The AUC was also designated by the Department of State as a Foreign Terrorist Organization ("FTO") in 2001, as a Specially Designated Global Terrorist ("SDGT") under E.O. 13224 in 2001, and as a drug kingpin by the President in June 2003 pursuant to the Foreign Narcotics Kingpin Designation Act.

## URDINOLA GRAJALES ORGANIZATION

### *Background:*

In the 1980s, Ivan URDINOLA GRAJALES became involved in narcotics trafficking. By 1989, Ivan URDINOLA GRAJALES was managing a major drug trafficking operation that initially focused on cocaine, but would eventually include heroin.

The URDINOLA GRAJALES organization was associated with the groups that would become known as the North Valle drug cartel. With Ivan at the helm, the URDINOLA GRAJALES organization increased its power through violence and close ties to other powerful traffickers from the Valle del Cauca region. For example, Ivan URDINOLA GRAJALES was married to Lorena HENAO MONTOYA, the sister of SDNT principal individual Arcangel de Jesus HENAO MONTOYA.

In 1991, Ivan URDINOLA GRAJALES was indicted on drug trafficking charges in the Southern District of Florida. Julio Fabio URDINOLA GRAJALES, Ivan's brother, was also a significant drug trafficker twice indicted on drug trafficking charges in the Southern District of Florida in the early 1990s. Colombian authorities arrested Ivan URDINOLA GRAJALES in April 1992. Julio Fabio URDINOLA GRAJALES surrendered to Colombian authorities in 1994. However, they continued to control their organization from prison.

Although, Julio Fabio URDINOLA GRAJALES, who confessed to drug trafficking, was sentenced to 17 ½ years prison in Colombia, he received a sentence reduction and was released in 1998.

On February 22, 2000, OFAC designated Ivan URDINOLA GRAJALES and Julio Fabio URDINOLA GRAJALES as SDNT principal individuals, along with two associated individuals, including Lorena HENAO MONTOYA, Ivan URDINOLA's wife, and six companies.

In February 2002, Ivan URDINOLA GRAJALES died in a Colombian prison. His brother, Julio Fabio URDINOLA GRAJALES, was murdered in October 2004 in Bogota, Colombia.

On May 11, 2005, OFAC designated a group of companies associated with the GRAJALES LEMOS organization that had close ties with Lorena HENAO MONTOYA.

### *Related Impact:*

OFAC designations and economic sanctions have played a key role in financially isolating the URDINOLA GRAJALES businesses, in publicly exposing the URDINOLA GRAJALES organization, and in increased Colombian law enforcement pressure targeting URDINOLA GRAJALES' associates and financial assets:

- ◆ In April 2001, a little more than a year after the OFAC designation of Ivan URDINOLA

GRAJALES and his organization, a major Colombian daily reported the Colombian Attorney General's office initiated an asset forfeiture case against Ivan URDINOLA GRAJALES and seized five of the six companies designated in 2000 and 116 of his other properties and holdings.

- ◆ In January 2005, Lorena HENAO MONTOYA, an SDNT individual, pled guilty to bribing Colombian officials charged with seizing the assets of her deceased husband Ivan URDINOLA GRAJALES, who had been named as an SDNT principal in February 2000. She was sentenced by a Bogota judge to a prison term of four years and nine months, which she is currently serving.
- ◆ In May 2005, OFAC designated Raul Alberto GRAJALES LEMOS, a cousin of Ivan URDINOLA GRAJALES. It was discovered that in the 1990s Ivan URDINOLA GRAJALES obtained silent ownership of agricultural companies, which were managed by the indicted trafficker Raul Alberto GRAJALES LEMOS. Lorena HENAO MONTOYA inherited these companies following Ivan's death. Approximately one month after the designation, Colombian authorities seized these agricultural companies, which were estimated to be worth more than \$100 million.
- ◆ In May 2005, Raul Alberto GRAJALES LEMOS was arrested by Colombian authorities on charges of money laundering related to the URDINOLA GRAJALES organization.

The URDINOLA GRAJALES organization was seriously impaired as a result of OFAC's sanctions, Ivan URDINOLA's death, the death of his brother Fabio URDINOLA, and the Colombian Government's subsequent seizure and forfeiture of assets and companies belonging to the URDINOLA GRAJALES organization.

# URDINOLA GRAJALES ORGANIZATION



**DECEASED**

## Jairo Ivan URDINOLA GRAJALES

**Deceased:** Feb-2002  
**Date of Designation:** 22-Feb-2000  
**POB:** Colombia  
**DOB:** 1-Dec-1960  
**Cedula Number:** 94190353  
**Passport Number:** AD129003  
**Indictments:** 9-Aug-1991 by U.S Southern District of Florida  
**Arrests/Convictions:** Arrested by Colombian Police on 26-Apr-1992. Remained incarcerated until his death in Feb-2002.



**DECEASED**

## Julio Fabio URDINOLA GRAJALES

**Julio Fabio URDINOLA GRAJALES**  
**Deceased:** 2004  
**Date of Designation:** 22-Feb-2000  
**POB:** Colombia  
**Cedula Number:** 16801454  
**Indictments:** 30-Oct-1992 and 13-Aug-1993 by U.S Southern District of Florida  
**Arrests/Convictions:** Surrendered to Colombian authorities in 1994. Released from Colombian prison in 1998. Murdered in Bogota, Colombia, Oct-2004.

## KEY FAMILY MEMBERS



**Lorena  
HENAO MONTOYA**  
**Designation Date:** 22-Feb-2000  
**Relationship:** Widow of Ivan Urdinola Grajales  
**Cedula:** 31981533  
**DOB:** 9-Oct-1968

## KEY BUSINESS ASSOCIATES



**Sonia  
TREJOS AGUILAR**  
**Designation Date:** 22-Feb-2000  
**Cedula:** 66675927



**Melba  
TREJOS AGUILAR**  
**Designation Date:** 11-May-2005  
**Cedula:** 29991503

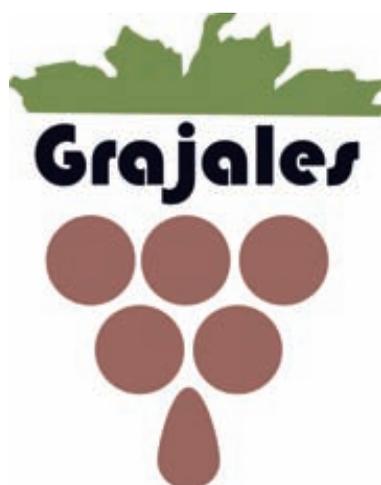
## North Valle Drug Cartel: Ivan & Julio Fabio URDINOLA GRAJALES

TYPE OF INDUSTRY					
		Agro-Industrial	Construction	Hotel	Investment
<b>BY REGION</b>	<b>Valle del Cauca</b>				
	La Union	<ul style="list-style-type: none"> <li>Casa Grajales S.A.<sup>2</sup></li> <li>Frutas Exoticas Colombianos S.A. (a.k.a. Frexco S.A.)<sup>2</sup></li> <li>Grajales S.A.<sup>2</sup></li> </ul>		<ul style="list-style-type: none"> <li>Los Vinedos De Getsemani S.A. (a.k.a. Hotel Lost Vinedos; a.k.a. Valle Lindo Hostal Restaurante)<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Inversiones Aguila Ltda.<sup>2</sup></li> <li>Inversiones Grame Ltda.<sup>2</sup></li> <li>Inversiones Los Posso Ltda. S.C.S.<sup>2</sup></li> <li>Inversiones Santa Cecilia S.C.S.<sup>2</sup></li> <li>Inversiones Santa Monica Ltda.<sup>2</sup></li> <li>Sociedad De Negocios San Augustin Ltda.<sup>2</sup></li> </ul>
	Tulua				<ul style="list-style-type: none"> <li>Ibadan Ltda.<sup>2</sup></li> </ul>
	<b>Cali</b>				
Cali	<ul style="list-style-type: none"> <li>Agroinversora Urdinola Henao y Cia. S.C.S.<sup>1</sup></li> <li>Explotaciones Agricolas y Ganaderas La Lorena S.C.S.<sup>1</sup></li> <li>Industrias Agropecuarias del Valle Ltda.<sup>1</sup></li> <li>Inversiones El Eden S.C.S.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Constructora e Inmobiliaria Urvalle Cia. Ltda.<sup>1</sup></li> <li>Constructora Universal Ltda.<sup>1</sup></li> </ul>			<ul style="list-style-type: none"> <li>Panamericana Ltda.<sup>2</sup></li> </ul>

**Footnotes indicate date of designation by OFAC.**

(1) 22-Feb-2000

(2) 11-May-2005



## HENAO MONTOYA ORGANIZATION

### *Background:*

The North Valle drug cartel was founded as a splinter group by Jose Orlando HENAO MONTOYA, the older brother to SDNT principal Arcangel de Jesus HENAO MONTOYA, after the arrest of Cali drug cartel leaders Miguel and Gilberto RODRIGUEZ OREJUELA.

Until his 1998 murder in a maximum security wing of a Colombian prison, Jose Orlando HENAO MONTOYA was the head of the North Valle drug cartel. After Jose Orlando's death, Arcangel de Jesus HENAO MONTOYA took control of the organization and assumed a leadership role in the North Valle drug cartel.

On August 18, 2000, OFAC designated Arcangel de Jesus HENAO MONTOYA as an SDNT principal along with five agricultural and industrial companies and one individual, his wife. On October 25, 2002, OFAC designated an additional seven individuals, including some family members, and two companies associated with the HENAO MONTOYA organization.

In January 2004, Arcangel de Jesus HENAO MONTOYA was arrested in Panama. Four days after his arrest, Panama extradited him to the United States. Upon arriving in New York, the U.S. Attorney's Office for the Eastern District of New York unsealed a 25-count superseding indictment that charged him with drug trafficking and money laundering conspiracy along with other cocaine related offenses.

In May 2004, the U.S. Attorney's Office for the District of Columbia charged the leaders of Colombia's North Valle drug cartel, including Arcangel de Jesus HENAO MONTOYA, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers.

In October 2004, OFAC designated Piedad VELEZ RENGIFO, the wife of Jose Orlando HENAO MONTOYA. Jose Orlando HENAO MONTOYA, who had been killed in a Colombian prison in 1998 before the organization he helped form came under OFAC sanctions, had willed his properties and investments to his wife upon his death.

Currently, Arcangel de Jesus HENAO MONTOYA is in a New York federal prison. In September 2005, he pled guilty in a New York court to drug trafficking charges.

### *Related Impact:*

OFAC designations and economic sanctions played a key role in the commercial and financial isolation of the HENAO MONTOYA businesses, in publicly exposing the HENAO MONTOYA organization, and in increasing Colombian law enforcement pressure targeting HENAO MONTOYA's associates and financial assets:

- ◆ In June 2004, the Colombian Government initiated an asset forfeiture investigation of 98 properties belonging to Arcangel de Jesus HENAO MONTOYA. The properties included farms, apartments, houses, vacant lots and commercial buildings.
- ◆ In October 2004, the Colombian Government seized 101 properties belonging to Arcangel de Jesus HENAO MONTOYA. They were located in Bogota, Cartagena, Tolima, Valle, Risaralda, Caldas, Quindio, and Boyaca in Colombia.
- ◆ OFAC designated the Colombian airline, *Intercontinental de Aviacion*, in October 2004. The airline had been bought by Jose Orlando HENAO MONTOYA before his death (and willed to his wife), along with SDNT principal individuals Gabriel PUERTA PARRA and Luis HERNANDEZ ZEA. The Colombian Government seized the airline four months later, in February 2005. (See also the Gabriel PUERTA PARRA and Luis HERNANDEZ ZEA organization).

SECTION 3

The HENAO MONTOYA organization was seriously impaired as a result of OFAC's sanctions, the arrest of Arcangel HENAO MONTOYA, and the Colombian Government's subsequent seizure of assets and companies belonging to the HENAO MONTOYA organization.

# HENAO MONTOYA ORGANIZATION



**Arcangel de Jesus  
HENAO MONTOYA**

**Aliases:** "Mocho"  
**Date of Designation:** 18-Aug-00  
**POB:** Cartago, Valle, Colombia  
**DOB:** 7-Oct-1954  
**Cedula Number:** 16215230  
**Indictments:** Jan-2004, Eastern District New York narcotics trafficking and money laundering. 6-May-2004 District of Columbia (RICO charges against North Valle drug cartel).  
**Arrests/Convictions:** Jun-1998 Peruvian arrest warrant (drug trafficking). Arrested in Panama on 10-Jan-2004. Extradited to the United States in 2004.

## KEY FAMILY MEMBERS



**Olga Patricia  
GONZALEZ BENITEZ**  
Designation Date: 18-Aug-2000  
Relationship: Ex-wife  
Cedula: 29503761  
DOB: 4-Aug-1965



**Lina Marcela  
HENAO GONZALEZ**  
Designation Date: 25-Oct-2002  
Relationship: Daughter  
Cedula: TI-85051037834  
DOB: 10-May-1985



**Carlos Andres  
HENAO GONZALEZ**  
Designation Date: 25-Oct-2002  
Relationship: Son  
Cedula: 75096405  
DOB: 27-Nov-1980



**Olga Patricia  
HENAO GONZALEZ**  
Designation Date: 25-Oct-2002  
Relationship: Daughter  
Cedula: RN12524986  
DOB: 18-Jan-1988

## KEY BUSINESS ASSOCIATES



**John Jairo  
MENDEZ SALAZAR**  
Designation Date: 25-Oct-2002  
Cedula: 98515360



**Jairo Jose  
HURTADO ROMERO**  
Designation Date: 25-Oct-2002  
Cedula: 13809079



**Alexander  
RIOS LOZANO**  
Designation Date: 25-Oct-2002  
Cedula: 94402123  
DOB: 15-Jan-1974



**Yudy Lorena  
FLOREZ GRAJALES**  
Designation Date: 25-Oct-2002  
Cedula: 32180561  
DOB: 26-Jun-1978

# North Valle Drug Cartel: Arcangel de Jesus HENAO MONTOYA

TYPE OF INDUSTRY		
Agro-Industrial		
Valle del Cauca		
<b>BY REGION</b>	Cartago	<ul style="list-style-type: none"> <li>• Agricola Ganadera Henao Gonzalez y Cia. S.C.S.<sup>1</sup></li> <li>• Agropecuaria Miralindo S.A.<sup>2</sup></li> <li>• Arizona S.A.<sup>2</sup></li> <li>• Compañía Agroinversora Henagro Ltda.<sup>1</sup></li> <li>• Desarrollos Comerciales e Industriales Henao Gonzalez y Cia. S.C.S.<sup>1</sup></li> <li>• Maquinaria Tecnica y Tierras Ltda. (a.k.a. M.T.T. Ltda.)<sup>1</sup></li> <li>• Organizacion Empresarial A de J Henao M E Hijos y Cia. S.C.S.<sup>1</sup></li> </ul>

**Footnotes indicate date of designation by OFAC.**

(1) 18-Aug-2000

(2) 25-Oct-2002

## RAMIREZ ABADIA ORGANIZATION

### *Background:*

In the late 1980s, Juan Carlos RAMIREZ ABADIA (a.k.a. “Chupeta”) began his drug trafficking career with the Cali drug cartel. As that group’s power faltered, RAMIREZ ABADIA became a force amongst the group of drug traffickers collectively referred to as the North Valle drug cartel. In Colombia, he has been charged with multiple homicides, including the alleged execution of several drug traffickers.

In 1994 and 1995, RAMIREZ ABADIA was indicted on U.S. federal narcotics trafficking charges in Colorado and New York, respectively.

In March 1996, RAMIREZ ABADIA surrendered to Colombian authorities, allegedly fearing for his personal safety and seeking a lenient sentence. By his own admission, RAMIREZ ABADIA had shipped 30 tons of cocaine through Mexico to the United States. After a plea bargain, a judge in Cali, Colombia sentenced him to more than 20 years in prison.

On August 18, 2000, OFAC named Juan Carlos RAMIREZ ABADIA as an SDNT principal individual. No associated individuals, family members, or companies were named. At the time of his designation, RAMIREZ ABADIA continued to run his organization from jail.

In 2002, after serving approximately seven years of his sentence, RAMIREZ ABADIA was released early from Colombian prison and has continued to manage his drug routes.

In May 2004, the U.S. Attorney’s Office for the District of Columbia charged the leaders of Colombia’s North Valle drug cartel, including Juan Carlos RAMIREZ ABADIA, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously offered a reward of up to \$5 million for information leading to the arrest of any of the individuals in the indictment.

On August 29, 2006, OFAC designated four individuals and two entities associated with RAMIREZ ABADIA. The designated individuals included both of RAMIREZ ABADIA’s parents, two trusted business associates, and two front companies, including the pharmaceutical distributor *Disdrogas Ltda.*

### *Related Impact:*

OFAC designations helped publicly identify Juan Carlos RAMIREZ ABADIA as an important Colombian drug cartel leader and played a role in increased Colombian law enforcement pressure targeting RAMIREZ ABADIA’s financial assets:

- ◆ Two months after OFAC’s designation of Juan Carlos RAMIREZ ABADIA in August 2000,

Colombian authorities seized approximately 40 of his properties in Cali, Colombia. These properties, including apartments, houses, and parking lots, were valued at approximately \$3.5 million.

- ◆ In June 2005, Colombian authorities seized 91 assets of Juan Carlos RAMIREZ ABADIA, including houses, apartments, and ranches located in or near the cities of Cali and Armenia.
- ◆ In January 2007, Colombian authorities seized from stash houses in Cali, Colombia over \$60 million in currency, mostly U.S. dollars, belonging to Juan Carlos RAMIREZ ABADIA. This is believed to be the largest cash seizure in the history of Colombia.

# RAMIREZ ABADIA ORGANIZATION



**Juan Carlos  
RAMIREZ ABADIA**

**Aliases:** "Chupeta"

**Date of Designation:** 18-Aug-2000

**POB:** Colombia

**DOB:** 16-Feb-1963

**Cedula Number:** 16684736

**Passport Number:** AD127327

**Indictments:** Three in the United States. 19-Aug-1994, District of Colorado; 17-Aug-1995, Eastern District of New York; 6-May-2004 District of Columbia (RICO charges against North Valle drug cartel).

**Arrests/Convictions:** Surrendered to Colombian authorities in March 1996. Released in 2002. Currently fugitive from U.S. justice.

## KEY FAMILY MEMBERS



**Omar  
RAMIREZ PONCE**  
Designation Date: 29-Aug-2006  
Relationship: Father  
Cedula: 6064636  
DOB: 01-Jan-1940



**Carmen Alicia  
ABADIA BASTIDAS**  
Designation Date: 29-Aug-2006  
Relationship: Mother  
Cedula: 29021074  
DOB: 15-Jul-1934

## KEY BUSINESS ASSOCIATES



**Jorge Rodrigo  
SALINAS CUEVAS**  
Designation Date: 29 Aug 2006  
Cedula: 14930332  
DOB: 10-Dec-1945



**Edgar Marino  
OTALORA RESTREPO**  
Designation Date: 29-Aug-2006  
Cedula: 5198602

## North Valle Cartel: Juan Carlos RAMIREZ ABADIA

INDUSTRY TYPE		
Investment		Pharmaceutical
<b>BY REGION</b>	<b>Valle del Cauca</b>	
	Yumbo	<ul style="list-style-type: none"> <li>• Disdrogas Ltda.</li> </ul>
	<b>Cali</b>	
	Cali	<ul style="list-style-type: none"> <li>• Ramirez Abadia y Cia. S.C.S.</li> </ul>

All Designated by OFAC as SDNTs on 29-Aug-2006.



## PATIÑO FOMEQUE ORGANIZATION

### *Background:*

There is evidence that Victor Julio PATIÑO FOMEQUE became involved in narcotics trafficking sometime around 1992. PATIÑO FOMEQUE worked as a bodyguard for deceased North Valle drug cartel kingpin, Orlando HENAO MONTOYA, and quickly rose in significance within the North Valle drug cartel leadership. PATIÑO FOMEQUE was head of one of the operational arms of the North Valle drug cartel by the mid-1990s.

In the 1990s, Victor Julio PATIÑO FOMEQUE was considered one of the most successful maritime transporters out of the Pacific port of Buenaventura and is estimated to have moved at least 20 tons of cocaine to Mexico and the United States.

In June 1995, Victor Julio PATIÑO FOMEQUE was named as a defendant in a U.S. federal indictment in the Southern District of Florida. He was charged with a RICO violation for drug trafficking and money laundering along with other high-level members of Colombia's Cali drug cartel and several Mexican drug traffickers. The 1995 indictment stated that PATIÑO FOMEQUE, *"from 1992 through 1995, agreed to assist the Enterprise [Cali drug cartel] by providing fishing vessels to transport large amounts of cocaine from Buenaventura, Colombia to large ocean-going freighters off the coast of Colombia for transport into Mexico and eventual importation into the United States."*

On June 24, 1995, Victor Julio PATIÑO FOMEQUE surrendered to Colombian authorities at a Colombian military base in Bogota, Colombia. In February 1996, he confessed to drug trafficking and illicit enrichment. However, PATIÑO FOMEQUE continued to control his operation from jail.

A February 2000 raid by Colombian authorities, nearly four years after Victor Julio PATIÑO FOMEQUE's imprisonment, uncovered a drug trafficking command center in a luxury apartment in Cali, Colombia that belonged to the PATIÑO FOMEQUE organization.

On April 24, 2001, OFAC designated Victor Julio PATIÑO FOMEQUE as an SDNT principal individual under E.O. 12978. Twenty-six individuals were named together with PATIÑO FOMEQUE, including key family members, business associates, and other front individuals in Colombia. In addition, three front companies, including two holding companies in Cali, Colombia, and the maritime company *Industria de Pesca Sobre El Pacifico S.A.* in Buenaventura, Colombia, were named.

In August 2001, PATIÑO FOMEQUE was released from a Colombian prison for time served.

In August 2002, PATIÑO FOMEQUE was re-arrested in Bogota, Colombia under a new U.S. arrest warrant for federal charges of drug trafficking and money laundering out of the Southern District of Florida. In December 2002, PATIÑO FOMEQUE was extradited to the United States.

*Related Impact:*

In April 2001, several key family members were designated by OFAC. These individuals were not only key front persons for several companies, but also were considered by Colombian authorities to be important money launderers for the organization.

Subsequent to OFAC designations on April 24, 2001, the Colombian Government also took action to apply law enforcement pressure targeting PATIÑO FOMEQUE's associates and financial assets:

- ◆ In April 2005, the Colombian police seized 299 properties in Colombia that belonged to PATIÑO FOMEQUE. The properties, located in Bogota, Cali, Buenaventura, Cartagena, Palmira, and throughout the Valle del Cauca region, were valued at approximately \$65 million. According to the Colombian authorities, PATIÑO FOMEQUE had placed these assets in the names of different front individuals, including many family members and employees who were designated as SDNTs, and who did not have the economic means to actually afford them.

SECTION 3

# PATIÑO FOMEQUE ORGANIZATION



**Victor Julio  
PATIÑO FOMEQUE**

**Aliases:** "El Papi," "El Quimico"

**Date of Designation:** 24-Apr-2001

**POB:** Honda, Tolima, Colombia

**DOB:** 31-Jan-1959

**Cedula Number:** 16473543

**Indictments:** June 1995 indictment in Southern District of Florida (Miami); July 2001 Southern District of Florida (Fort Lauderdale).

**Arrests/Convictions:** 24-Jun-1995 surrendered to Colombian authorities; Feb-1996 confessed to drug trafficking and illicit enrichment in Colombia; Aug-2001 released from Colombian prison; Apr-2002 arrested on new U.S. indictment charges; 6-Dec-2002 extradited to the United States.

## KEY FAMILY MEMBERS



**Sonia Daysi  
PATIÑO FOMEQUE**  
Designation Date: 24-Apr-2001  
Relationship: Sister  
Cedula: 66920533  
DOB: 20-Jan-1975



**Amparo  
FOMEQUE BLANCO**  
Designation Date: 24-Apr-2001  
Relationship: Aunt  
Cedula: 31206092  
DOB: 26-Mar-1948

## KEY BUSINESS ASSOCIATES



**Ricardo Alfredo  
MORENO DAZA**  
Designation Date: 24-Apr-2001  
Cedula: 16631400



**Oscar  
HERNANDEZ**  
Designation Date: 24-Apr-2001  
Cedula: 6157940



**Diana  
SARMIENTO MARTINEZ**  
Designation Date: 24-Apr-2001  
Cedula: 65698369



**Hernando  
ECHEVERRY HERRERA**  
Designation Date: 24-Apr-2001  
Cedula: 1625525

## North Valle Cartel: Victor Julio PATIÑO FOMEQUE

INDUSTRY TYPE		
Investment		Maritime
<b>BY REGION</b>	<b>Valle del Cauca</b>	
	Buenaventura	<ul style="list-style-type: none"> <li>• Industria de Pesca Sobre El Pacifico S.A. (a.k.a. Inpesca S.A.)</li> </ul>
	<b>Cali</b>	
	Cali	<ul style="list-style-type: none"> <li>• Galapagos S.A.</li> <li>• Taura S.A.</li> </ul>

All designated by OFAC as SDNTs on 24-Apr-2001.



## MONTOYA SANCHEZ ORGANIZATION

### *Background:*

Diego Leon MONTOYA SANCHEZ's active involvement in the narcotics trafficking trade began around 1996. As with other leaders of Colombia's North Valle drug cartel, Diego Leon MONTOYA SANCHEZ rose to prominence as an independent drug trafficker following the decline of the Cali drug cartel. He quickly became one of Colombia's most powerful cocaine traffickers by orchestrating multi-ton shipments of cocaine to Mexico and the United States.

With the help of the ARELLANO FELIX drug cartel,<sup>12</sup> the MONTOYA SANCHEZ organization was able to ship massive quantities of drugs to the United States. U.S. and Colombian authorities have jointly estimated that the MONTOYA SANCHEZ organization shipped nearly 30 tons of cocaine a month, or about 6 percent of the cocaine smuggled into the United States each year.

The MONTOYA SANCHEZ organization has also been closely linked with the Colombian paramilitary group, *Autodefensas Unidas de Colombia* ("AUC"), forming an alliance with them to protect the drug cartel's drug routes, laboratories, and associates.

In 1999, a U.S. grand jury charged Diego Leon MONTOYA SANCHEZ with drug trafficking and money laundering in the Southern District of Florida under an FBI criminal investigation.

On October 25, 2002, OFAC designated Diego Leon MONTOYA SANCHEZ as an SDNT principal individual. Also named by OFAC were three companies, including *Ladrillera La Candelaria Ltda.*, an industrial brick factory outside Cali, Colombia. In addition, OFAC designated Diego Leon's two brothers, Juan Carlos and Eugenio MONTOYA SANCHEZ, key members of the MONTOYA SANCHEZ drug trafficking organization. Eugenio MONTOYA SANCHEZ ran the daily operational management of the organization. Juan Carlos MONTOYA SANCHEZ was responsible for overseeing the cocaine laboratories for the organization. OFAC's October 2002 action was coordinated with a simultaneous criminal asset forfeiture action by the FBI Miami Field Division against several million dollars in property in South Florida owned by the MONTOYA SANCHEZ organization.

In December 2003, Juan Carlos MONTOYA SANCHEZ was arrested by the Colombian National Police.

In May 2004, the U.S. Attorney's Office for the District of Columbia charged the leaders of Colombia's North Valle drug cartel, including Diego Leon MONTOYA SANCHEZ, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug traffick-

12. On June 1, 2000, Benjamin ARELLANO FELIX and Ramon ARELLANO FELIX were named drug kingpins by the President pursuant to the Foreign Narcotics Kingpin Designation Act. In June 2004, the President also named Javier ARELLANO FELIX and Eduardo ARELLANO FELIX as well as the ARELLANO FELIX organization as drug kingpins. See discussion on page one, footnote three regarding the Kingpin Act sanctions program.

ing, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously offered a reward of up to \$5 million for information leading to the arrest of any of the individuals in the indictment.

In May 2005, Diego Leon's brother, Juan Carlos MONTOYA SANCHEZ, a designated SDNT individual, was extradited to the United States where he pled guilty to charges of conspiring to import cocaine into the United States and was sentenced in February 2006 to 262 months in prison.

### *Related Impact:*

SECTION 3

In concert with OFAC designations, the U.S. Government authorities also took action to apply law enforcement pressure targeting MONTOYA SANCHEZ's associates and financial assets:

- ◆ In a coordinated action, simultaneous to the October 2002 OFAC designation, FBI agents seized several millions of dollars in property belonging to the MONTOYA SANCHEZ organization in South Florida. This included an 80-foot yacht worth over \$3 million, two luxury cars, and two condominiums with a combined value of \$1.7 million.
- ◆ On May 6, 2004, the FBI named Diego Leon MONTOYA SANCHEZ to the FBI's "Ten Most Wanted Fugitive List," citing his OFAC designation as part of U.S. efforts against this Colombian drug lord. In addition, the U.S. Department of State has issued a \$5 million reward for information leading to his capture.

OFAC designations helped publicly expose the MONTOYA SANCHEZ organization and played a key role in increased Colombian law enforcement pressure targeting MONTOYA SANCHEZ's associates and financial assets:

- ◆ On April 15, 2004, Colombian authorities conducted a nation-wide enforcement operation against the companies and property previously identified by OFAC as part of the MONTOYA SANCHEZ operation, seizing \$73 million and real estate assets belonging to Diego Leon MONTOYA SANCHEZ, including the SDNT company *Ladrillera La Candelaria Ltda.*

# MONTOYA SANCHEZ ORGANIZATION



## Diego Leon MONTOYA SANCHEZ

**Aliases:** "Don Diego"

**Date of Designation:** 25-Oct-2002

**POB:** Trujillo, Valle, Colombia

**DOB:** 11-Jan-1958

**Cedula Number:** 16348515

**Indictments:** 1999 Southern District of Florida for drug trafficking. 6-May-2004 Southern District of Florida. 6-May-2004 Southern District of New York. 6-May-2004 District of Columbia (RICO charges against North Valle drug cartel). FBI Ten Most Wanted List fugitive since May 2004.

**Arrests/Convictions:** Currently fugitive from U.S. justice.

## KEY FAMILY MEMBERS



### Eugenio MONTOYA SANCHEZ

Designation Date: 25-Oct-2002

Relationship: Brother

Cedula: 94307307

DOB: 17-Apr-1970



### Juan Carlos MONTOYA SANCHEZ

Designation Date: 25-Oct-2002

Relationship: Brother

Cedula: 16357049

DOB: 3-Sept-1962

## KEY BUSINESS ASSOCIATES



### Laura Victoria GOMEZ APONTE

Designation Date: 25-Oct-2002

Cedula: 31937650

DOB: 31-Oct-1965

**North Valle Drug Cartel:Diego Leon  
MONTROYA SANCHEZ**

TYPE OF INDUSTRY		
Industrial		Investment
<b>BY REGION</b>	<b>Cali</b>	
	Cali  <ul style="list-style-type: none"> <li>• Ladrillera La Candelaria Ltda.</li> </ul>	<ul style="list-style-type: none"> <li>• Inversiones La Quinta y Cia. Ltda.</li> <li>• Montoya Luna E Hijos y Cia. S.C.S.</li> </ul>

All Designated by OFAC as SDNTs on 25-Oct-2002.



## GOMEZ BUSTAMANTE ORGANIZATION

### *Background:*

From the 1990s until his detention in Cuba in 2004, Luis Hernando GOMEZ BUSTAMANTE (a.k.a. “Rasguno”) was a leader in the North Valle drug cartel. Luis Hernando GOMEZ BUSTAMANTE’s drug trafficking organization moved cocaine via aircraft, “go-fast” vessels (small, powerful speedboats), and maritime cargo vessels. The organization also operated cocaine laboratories in the Valle del Cauca region of Colombia—many of which were concealed on his farms—as well as cocaine distribution cells in the United States.

SECTION 3

In 1997, the U.S. Attorney’s Office for the Southern District of Virginia indicted GOMEZ BUSTAMANTE on drug trafficking and money laundering charges as well as for operating a continuing criminal enterprise. Later, in October 2002, the U.S. Attorney’s Office for the Eastern District of New York also indicted GOMEZ BUSTAMANTE on charges of drug trafficking and money laundering.

On October 25, 2002, OFAC designated Luis Hernando GOMEZ BUSTAMANTE as a principal SDNT individual. OFAC also named eight businesses and nine individuals acting as fronts for GOMEZ BUSTAMANTE.

In May 2004, the U.S. Attorney’s Office for the District of Columbia charged the leaders of Colombia’s North Valle drug cartel, including Luis Hernandez GOMEZ BUSTAMANTE, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously announced a reward of up to \$5 million for information leading to the arrest of GOMEZ BUSTAMANTE or any of the individuals in the indictment. Recently, the Colombian Government has issued new charges against Luis Hernando GOMEZ BUSTAMANTE for illicit enrichment and drug violations.

On July 2, 2004, Luis Hernando GOMEZ BUSTAMANTE was arrested while trying to enter Cuba on a false passport. He is currently in a Cuban prison.

On October 25, 2006, OFAC designated two of GOMEZ BUSTAMANTE’s brothers along with several key associates in a related action against two new North Valle drug cartel leaders.

### *Related Impact:*

OFAC designations helped publicly expose the GOMEZ BUSTAMANTE organization and played a key role in increased Colombian law enforcement pressure targeting GOMEZ BUSTAMANTE’s associates and financial assets:

- ◆ In March 2004, the Government of Colombia seized properties belonging to Luis Hernando GOMEZ BUSTAMANTE valued at approximately \$111 million.

# GOMEZ BUSTAMANTE ORGANIZATION



**Luis Hernando  
GOMEZ BUSTAMANTE**

**Aliases:** "Rasguño"

**Date of Designation:** 25-Oct-2002

**POB:** El Aguila, Valle, Colombia

**DOB:** 14-Mar-1958

**Cedula Number:** 16209410

**Indictments:** Jan-1997, Southern District of Virginia. May-2004, Eastern District of New York indictment. 6-May-2004, District of Columbia (RICO charges against North Valle drug cartel). 2004, Colombian charges for illicit enrichment.

**Arrests/Convictions:** 2-Jul-2004; arrested while trying to enter Cuba on a false passport. Currently in Cuban prison awaiting extradition to Colombia. Currently fugitive from U.S. justice.

## KEY FAMILY MEMBERS



**Olga Cecilia  
GOMEZ JARAMILLO**  
Designation Date: 25-Oct-2002  
Relationship: Wife  
Cedula: 31398070  
DOB: 29-Feb-1956



**Viviana  
GOMEZ GOMEZ**  
Designation Date: 25-Oct-2002  
Relationship: Daughter  
DOB: 17-Oct-1982



**Luis Alfonso  
GOMEZ BUSTAMANTE**  
Designation Date: 25-Oct-2006  
Relationship: Brother  
Cedula: 4451571  
DOB: 01-Nov-1953



**Wilmer de Jesús  
GOMEZ BUSTAMANTE**  
Designation Date: 25-Oct-2006  
Relationship: Brother  
Cedula: 16223940  
DOB: 26-Jan-1970

## KEY ASSOCIATES



**Jose Aldemar  
RENDON RAMIREZ**  
Designation Date: 25-Oct-2006  
Cedula: 16202349  
DOB: 24-Jul-1950



**Juan Carlos  
GIRALDO FRANCO**  
Designation Date: 25-Oct-2006  
Cedula: 16791184  
DOB: 10-Jun-1971



**Davinson  
GOMEZ ÓCAMPO**  
Designation Date: 25-Oct-2006  
Cedula: 2470433  
DOB: 10-Jul-1960



**Jaime  
ROJAS FRANCO**  
Designation Date: 25-Oct-2006  
Cedula: 16210083  
DOB: 24 Dec 1957



**Jorge Enrique  
LOPRETTO DURAN**  
Designation Date: 25-Oct-2006  
Cedula: 16215409  
DOB: 8-Aug-1962



**Carlos Umberto  
RESTREPO CLAVIJO**  
Designation Date: 25-Oct-2006  
Cedula: 16205322

## North Valle Drug Cartel: Luis Hernando GOMEZ BUSTAMANTE

TYPE OF INDUSTRY				
		Agro-Industrial	Investment	Real Estate
<b>BY REGION</b>	<b>Valle del Cauca</b>			
	Cartago	<ul style="list-style-type: none"> <li>• Agricola Doima Del Norte Del Valle Ltda.</li> <li>• Ganaderia El Vergel Ltda.</li> <li>• Ganaderias Bilbao Ltda.</li> <li>• Gomez Marin Ltda.</li> <li>• Viscaya Ltda. (a.k.a Vizcaya Ltda.)</li> </ul>	<ul style="list-style-type: none"> <li>• Organizacion Luis Hernando Gomez Bustamante y Cia. S.C.S.</li> </ul>	<ul style="list-style-type: none"> <li>• Inmobiliaria El Escorial Ltda.</li> <li>• Inmobiliaria Linares Ltda.</li> <li>• Inmobiliaria Pasadena Ltda.</li> </ul>

All Designated by OFAC as SDNTs on 25-Oct-2002.

## PUERTA PARRA & HERNANDEZ ZEA ORGANIZATION

### *Background:*

Before his October 7, 2004, arrest in Colombia, Gabriel PUERTA PARRA (a.k.a. “El Doctor”) was considered a respected elder statesman by various members of the North Valle drug cartel. In this role, PUERTA PARRA served as a conduit between the traffickers and leaders of the paramilitary group, the AUC, and he also resolved disputes between rival drug cartel members.

Luis Antonio HERNANDEZ ZEA is the former pilot and business advisor for deceased North Valle drug cartel leader Jose Orlando HENAO MONTOYA.

In 1985, HERNANDEZ ZEA, PUERTA PARRA and HENAO MONTOYA purchased *Intercontinental de Aviacion*, a small Colombian airline.

In 1998, the shares of *Intercontinental de Aviacion* owned by Jose Orlando HENAO MONTOYA—following his death—were transferred to his widow, Piedad VELEZ RENGIFO. This airline, purchased with narcotics trafficking proceeds, was a front company, used by the North Valle drug cartel to launder money and was used to transport narcotics and bulk currency.

In May 2004, the U.S. Attorney’s Office for the District of Columbia charged the leaders of Colombia’s North Valle drug cartel, including Gabriel PUERTA PARRA, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously announced a reward of up to \$5 million for information leading to the arrest of PUERTA PARRA or any of the individuals in the indictment. Additional drug trafficking charges were filed in the U.S. District Court for the Southern District of Florida.

On October 14, 2004, OFAC designated Gabriel PUERTA PARRA and Luis Antonio HERNANDEZ ZEA as principal SDNT individuals. OFAC also added 15 of their business fronts, including *Intercontinental de Aviacion S.A.* and other aviation front companies in Colombia, the Cayman Islands and Vanuatu, as well as 15 front individuals to the list of SDNTs.

In May 2006, Colombia extradited PUERTA PARRA to the United States.

### *Related Impact:*

OFAC designations helped publicly expose the PUERTA PARRA and HERNANDEZ ZEA organization and played a key role in increased Colombian law enforcement pressure targeting PUERTA PARRA and HERNANDEZ ZEA’s associates and financial assets:

- ◆ In February 2005, Colombian authorities seized *Intercontinental de Aviación*, including its fleet of 6 airplanes and a hangar at Bogotá's El Dorado airport. According to a Colombian source very familiar with the airline, *Intercontinental de Aviacion* is worth approximately \$21 million.

# PUERTA PARRA & HERNANDEZ ZEA ORGANIZATION



**Gabriel  
PUERTA PARRA**

**Aliases:** "El Doctor"  
**Date of Designation:** 14-Oct-2004  
**POB:** San Carlos, Antioquia, Colombia  
**DOB:** 1-Oct-1942  
**Cedula Number:** 8238830  
**Passport Number:** P020046  
**Indictments:** 6-May-2004 District of Colombia (RICO charges against North Valle drug cartel); 6-May-2004, Southern District of Florida.  
**Arrests/Convictions:** 7-Oct-2004, Arrested by Colombian National Police. Extradited to the United States in May-2006.



**Luis Antonio  
HERNANDEZ ZEA**

**Aliases:** "El Capitan"  
**Date of Designation:** 14-Oct-2004  
**POB:** Bogota, Colombia  
**DOB:** 7-May-1960  
**Cedula Number:** 79252957  
**Passport Number:** P006320

## KEY FAMILY MEMBERS



**Isabel Cristina  
GALVEZ FERNANDEZ**  
Designation Date: 14-Oct-2004  
Relationship: Wife of Gabriel Puerta  
Cedula: 31280944  
DOB: 23-Sept-1955



**Ana Elvia  
HERNANDEZ ZEA**  
Designation Date: 14-Oct-2004  
Relationship: Sister of Luis Hernandez  
Cedula: 41503907  
DOB: 28-Dec-1949



**Piedad  
VELEZ RENGIFO**  
Relationship: Widow of Jose Orlando HENAO MONTOYA  
Designation Date: 14-Oct-2004  
Cedula: 31835778  
DOB: 22-Oct-1959

## KEY BUSINESS ASSOCIATES



**Luis Alfredo  
GALLEGO RAMOS**  
Designation Date: 14-Oct-2004  
Cedula: 16585721  
DOB: 7-Aug-1954



**William  
VELEZ MONTES**  
Designation Date: 14-Oct-2004  
Cedula: 17086144  
DOB: 24-May-1943

## North Valle Drug Cartel: Gabriel PUERTA PARRA & Luis Antonio HERNANDEZ ZEA

		TYPE OF INDUSTRY				
		Agro-Industrial	Aviation	Construction	Investment	Other (Hotel/ Mining)
<b>BY REGION</b>	<b>North Coast</b>					
	Barranquilla		<ul style="list-style-type: none"> <li>Aerovias Atlantico Ltda. (a.k.a. AeroAtlantico Ltda.)</li> </ul>			
	<b>Bogota</b>					
	Bogota	<ul style="list-style-type: none"> <li>Comercializadora Andino Brasileira S.A. (a.k.a. CABRASA)</li> <li>Desarrollos Agroindustriales S.A.</li> </ul>	<ul style="list-style-type: none"> <li>Aerocomercial Alas de Colombia Ltda.</li> <li>Intercontinental de Aviacion S.A. (a.k.a. INTER)</li> <li>Intercontinental de Financiaci3n Aerea S.A. (a.k.a. INTERFIAR)</li> </ul>		<ul style="list-style-type: none"> <li>Accirent S.A.</li> <li>La Frontera Union Galvez y Cia. S. en C.</li> </ul>	<ul style="list-style-type: none"> <li>Asociacion Turistica Internacional S.C.S.</li> <li>Green Island S.A.</li> <li>Industrial Minera y Pecuaria S.A. (a.k.a. IMPECUA)</li> <li>Cia. Constructora y Comercializadora del Sur Ltda. (a.k.a. COSUR)</li> </ul>
	<b>Cali</b>					
	Cali			<ul style="list-style-type: none"> <li>Inversiones y Comercializadora Incom Ltda. (f.k.a. Constructora Hena Ltda.)</li> </ul>		
	<b>Outside of Colombia</b>					
Cayman Islands		<ul style="list-style-type: none"> <li>Largo Leasing Ltd.</li> </ul>				
Vanuatu		<ul style="list-style-type: none"> <li>Trans Pacific World Leasing Limited</li> </ul>				

All designated by OFAC as SDNTs on 14-Oct-2004.



## RENTERIA MANTILLA ORGANIZATION

### *Background:*

As early as the 1980s, Carlos Alberto RENTERIA MANTILLA (a.k.a. “Beto” RENTERIA) started trafficking narcotics by selling precursor chemicals to members of the Cali drug cartel. Beto RENTERIA maintains a low profile and is considered by other drug cartel leaders to be an important and respected figure in the drug underworld. Some consider Beto RENTERIA to be one of the more powerful and influential drug traffickers in Colombia today.

Since at least the early 1990s, Beto RENTERIA has been a business partner with Raul GRAJALES LEMOS (discussed in the following section) in various business ventures, including the Colombian department store *Casa Estrella* (formerly known as *Casa Grajales*).

In 1995, the U.S. Attorney’s Office for the Southern District of Florida indicted Beto RENTERIA on narcotics trafficking charges together with Raul GRAJALES LEMOS. In May 2004, the U.S. Attorney’s Office for the District of Columbia charged the leaders of Colombia’s North Valle drug cartel, including Carlos Alberto RENTERIA MANTILLA, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously announced a reward of up to \$5 million for information leading to the arrest of any of the indicted individuals.

On March 17, 2005, OFAC named Beto RENTERIA as a principal SDNT individual. OFAC also designated seven individuals and four entities working for or on behalf, or owned or controlled by Beto RENTERIA.

On November 30, 2005, OFAC designated two individuals involved in managing the already designated *Casa Estrella* department store chain on behalf of Beto RENTERIA and Raul Alberto GRAJALES LEMOS. In addition, three companies were also named, including one located in the United States.

On June 13, 2006, OFAC designated five individuals involved in managing the *Casa Estrella* department store chain on behalf of Beto RENTERIA and Raul Alberto GRAJALES LEMOS. An additional 20 companies were named as SDNTs, including off-shore companies in Panama and the British Virgin Islands and six companies located in the United States.

On October 31, 2006, OFAC designated ten entities associated with Beto RENTERIA, including four sugar companies, a soccer team, an accounting firm, a hotel, and two medical clinics. Seven individuals were also named for acting as front persons on behalf of Beto RENTERIA in the named companies.

On November 28, 2006, OFAC designated five off-shore companies associated with the RENTERIA MANTILLA and the GRAJALES LEMOS organizations. SDNT associates Moises Abdal

SAIEH MUVDI, Carlos Ernesto SAIEH JAMIS, and Abdala SAIEH JASSIR have all played key management roles in *Casa Estrella* on behalf of the RENTERIA MANTILLA and the GRAJALES LEMOS organizations and run these five off-shore companies located in Barbados, the British Virgin Islands, the Cayman Islands, and Panama.

### *Related Impact:*

Simultaneous to Beto RENTERIA's designation in March 2005, OFAC blocked approximately \$1 million worth of assets belonging to RENTERIA MANTILLA and his associates. This action included blocking accounts, cars, and real estate in Boston, Massachusetts and Miami, Florida.

In November 2006, within 72 hours of the designation of the soccer team *Cortulua*, the team's president and three of its five board members resigned, sponsors withdrew their support, and key business partners publicly announced the severing of all commercial ties with the team.

OFAC designations helped publicly expose the Beto RENTERIA organization and played a key role in increased Colombian law enforcement pressure targeting Beto RENTERIA's associates and financial assets;

- ◆ In June 2006, Colombian authorities arrested additional SDNT associates of Beto RENTERIA and Raul GRAJALES LEMOS on charges of money laundering.
- ◆ In August 2006, Colombian authorities seized the department store chain *Casa Estrella* along with other companies and properties. The properties alone were estimated to be worth approximately \$38.5 million.
- ◆ On August 30, 2006, Colombian authorities seized 41 properties associated with Beto RENTERIA. The properties were located throughout Colombia, including in Bogota, Cali, the Valle del Cauca region and Cartagena. Included in the seizure were a multi-million dollar apartment in an exclusive Bogota neighborhood and an armored luxury vehicle. The total estimated value of the seizures was \$18 million.
- ◆ On November 30, 2006, Colombian authorities initiated an additional seizure operation against the assets of Beto RENTERIA. This seizure action targeted recently designated SDNTs, including *Clinica San Francisco S.A.*, a hospital in Tulua, Colombia. The Colombian enforcement action also resulted in the seizure of properties in Bogotá and the Colombian island of San Andres. Of that which was seized, the value of the real property alone was estimated to be \$16 million.

# RENTERIA MANTILLA ORGANIZATION



**Carlos Alberto  
RENTERIA MANTILLA**

**Aliases:** "Beto" Renteria  
**Date of Designation:** 17-Mar-2005  
**POB:** Tuluá, Valle, Colombia  
**DOB:** 11-Mar-1945  
**Cedula Number:** 6494208  
**Indictments:** 1995 Southern District of Florida for narcotics trafficking, 6-May-2004 District of Colombia (RICO charges against North Valle drug cartel).  
**Arrests/Convictions:** Currently fugitive from U.S. justice.

## KEY FAMILY MEMBERS



**Beatriz Eugenia  
RENTERIA CAICEDO**  
 Designation Date: 17-Mar-2005  
 Relationship: Daughter  
 Cedula: 52424737  
 DOB: 30-Nov-1977



**Maria Cecilia  
RENTERIA CAICEDO**  
 Designation Date: 17-Mar-2005  
 Relationship: Daughter  
 Cedula: 52410645  
 DOB: 27-May-1981



**Maria Nury  
CAICEDO GALLEGO**  
 Designation Date: 17-Mar-2005  
 Relationship: Ex-wife  
 Cedula: 31191388  
 DOB: 16-Nov-1956

## KEY BUSINESS ASSOCIATES



**Mauricio  
PARDO OJEDA**  
 Designation Date: 17-Mar-2005  
 Cedula: 19445690  
 DOB: 27-Jul-1961



**Javier  
CAMACHO VALLEJO**  
 Designation Date: 17-Mar-2005  
 Cedula: 16614154



**Armando Jacobo  
JAAR JASSIR**  
 Designation Date: 30-Nov-2005  
 Cedula: 7432263  
 DOB: 20-Jan-1947



**Maria Sair  
PELISSIER OSPINA**  
 Designation Date: 30-Nov-2005  
 Cedula: 51561790  
 DOB: 20-Jun-1958



**Francisco Javier  
DUQUE CORREA**  
 Designation Date: 13-Jun-2006  
 Cedula: 8292581  
 DOB: 4-Apr-1948



**Carlos Ernesto  
SAIEH JAMIS**  
 Designation Date: 13-Jun-2006  
 Cedula: 8739066  
 DOB: 24-Feb-1964



**Ricardo  
JAAR JASSIR**  
 Designation Date: 13-Jun-2006  
 Cedula: 3714973  
 DOB: 29-Sep-1940



**Moises Abdal  
SAIEH MUVDI**  
 Designation Date: 13-Jun-2006  
 Cedula: 7427466  
 DOB: 6-Jun-1945



**James Augusto  
OSORIO VALENICA**  
 Designation Date: 31-Oct-2006  
 Cedula: 14880648  
 DOB: 16-Nov-1959



**Oscar Ignacio  
MARTAN RODRIGUEZ**  
 Designation Date: 31-Oct-2006  
 Cedula: 19365692  
 DOB: 8-Feb-1958



**Alfonso  
BUENO GUERRERO**  
 Designation Date: 31-Oct-2006  
 Cedula: 17056503  
 DOB: 17-Sept-1941



**Ricardo  
SANDOVAL SALAZAR**  
 Designation Date: 31-Oct-2006  
 Cedula: 16683550  
 DOB: 17-Sept-1941

# North Valle Drug Cartel: Carlos Alberto RENTERIA MANTILLA

TYPE OF INDUSTRY				
BY REGION				
North Coast				
Agro-Industrial	Investment	Retail	Other	
San Andres				<ul style="list-style-type: none"> <li>• Corporacion Hotelera Del Caribe Limitada (a.k.a.. Apartahotel Tres Casitas; a.k.a. "Tres Casitas")<sup>5</sup></li> </ul>
Barranquilla	<ul style="list-style-type: none"> <li>• Armando Jaar Y Cia. S.C.S.<sup>3</sup></li> <li>• Carlos Saieh Y Cia. S.C.S.<sup>4</sup></li> <li>• Finanzas Del Norte Luis Saieh Y Cia. S.C.A. (F.K.A. Finanzas Del Norte Ltda.)<sup>4</sup></li> <li>• Inversiones Del Prado Abdala Saieh Y Cia. S.C.A.<sup>4</sup></li> <li>• Moises Saieh Y Cia. S.C. A.<sup>4</sup></li> <li>• Ricardo Jaar Y Cia. S.C.S.<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Confecciones Lord S.A.<sup>2</sup></li> </ul>		<ul style="list-style-type: none"> <li>• Constructora Altavista Internacional S.A. (a.k.a. Conasa S.A.)<sup>4</sup></li> <li>• Urbanizadora Altavista Internacional S.A. (f.k.a. Telnet S.A.; a.k.a. Urbavista)<sup>4</sup></li> </ul>
Bogota				
Bogota	<ul style="list-style-type: none"> <li>• Colombo Andina Commercial Ltda. (a.k.a. Coalsa)<sup>1</sup></li> <li>• Compania Agropecuaria del Sur Ltda. (a.k.a. Coagrosur)<sup>1</sup></li> <li>• Inversiones Agroindustriales del Occidente Ltda. (a.k.a. Inagroccidente)<sup>1</sup></li> <li>• Inversiones Brasil S.A. (f.k.a. Inversiones Rivera Caicedo Y Cia S.C.S.; f.k.a. "Inrica")<sup>5</sup></li> </ul>		<ul style="list-style-type: none"> <li>• Agropecuaria El Nilo S.A. (a.k.a. Agronilo S.A.)<sup>2</sup></li> <li>• Colombo Andina Commercial Ltda. (a.k.a. Coalsa)<sup>1</sup></li> <li>• Compania Agropecuaria del Sur Ltda. (a.k.a. Coagrosur)<sup>1</sup></li> <li>• Inversiones Agroindustriales del Occidente Ltda. (a.k.a. Inagroccidente)<sup>1</sup></li> </ul>	
Valle del Cauca				
La Union	<ul style="list-style-type: none"> <li>• Agropecuaria El Nilo S.A. (a.k.a. Agronilo S.A.)<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Agustin Grajales Y Cia. Ltda.<sup>2</sup></li> <li>• Armagedon S.A.<sup>2</sup></li> <li>• Macedonia Ltda.<sup>2</sup></li> <li>• Salim S.A.<sup>2</sup></li> </ul>		
Toro	<ul style="list-style-type: none"> <li>• Agropecuaria El Nilo S.A. (a.k.a. Agronilo S.A.)<sup>2</sup></li> </ul>			
Tulua	<ul style="list-style-type: none"> <li>• Josafat S.A.<sup>2</sup></li> </ul>			<ul style="list-style-type: none"> <li>• Apoyos Diagnosticos S.A. (a.k.a. Apoyos Diagnosticos De Occidente S.A.; f.k.a. Unidad De Diagnostico Medico Especializado Ltda.; f.k.a. "Unides Ltda.")<sup>5</sup></li> <li>• Clinica San Francisco S.A. (f.k.a. Clinica De Occidente Tulua S.A.; f.k.a. Clinica Nuestra Senora De Fatima S.A.)<sup>5</sup></li> <li>• Corporacion Club Deportivo Tulua (a.k.a. Cortulua)<sup>5</sup></li> </ul>
Cali				
Cali	<ul style="list-style-type: none"> <li>• Agropecuaria Lindaraja S.A.<sup>5</sup></li> <li>• Canaduz S.A.<sup>5</sup></li> <li>• Tarritos S.A.<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>(1) 17-Mar-2005</li> <li>(2) 11-May-2005</li> <li>(3) 30-Nov-2005</li> </ul>	<ul style="list-style-type: none"> <li>(4) 13-Jun-2006</li> <li>(5) 31-Oct-2006</li> <li>(6) 28-Nov-2006</li> </ul>	<ul style="list-style-type: none"> <li>• Camacho Vallejo Asesores E.U. (a.k.a. Camacho Vallejo Contadores)<sup>5</sup></li> </ul>

**Footnotes indicate date of designation by OFAC.**

(1) 17-Mar-2005	(4) 13-Jun-2006
(2) 11-May-2005	(5) 31-Oct-2006
(3) 30-Nov-2005	(6) 28-Nov-2006

## North Valle Drug Cartel: Carlos Alberto RENTERIA MANTILLA Continued

TYPE OF INDUSTRY					
Agro-Industrial		Investment	Retail	Other	
<b>Outside of Columbia</b>					
<b>BY REGION</b>	Aruba		<ul style="list-style-type: none"> <li>• Blackmore Investments A.V.V.<sup>2</sup></li> </ul>		
	Florida (USA)		<ul style="list-style-type: none"> <li>• Granada Associates, Inc.<sup>4</sup></li> <li>• Jacaria Florida<sup>3</sup></li> <li>• Karen Overseas Florida, Inc.<sup>4</sup></li> <li>• Marc Llc.<sup>4</sup></li> <li>• Sunset &amp; 97th Holdings, Llc.<sup>4</sup></li> <li>• Villarosa Investments Florida, Inc.<sup>4</sup></li> <li>• Alm Investment Florida, Inc.<sup>4</sup></li> </ul>		
	Barbados		<ul style="list-style-type: none"> <li>• Kattus Corporation<sup>6</sup></li> </ul>		
	Cayman Islands		<ul style="list-style-type: none"> <li>• Brunello Ltd.<sup>6</sup></li> <li>• Jamce Investments Ltd.</li> </ul>		
	Panama		<ul style="list-style-type: none"> <li>• Cipe Investments Corporation<sup>4</sup></li> <li>• Elizabeth Overseas, Inc.<sup>4</sup></li> <li>• Karen Overseas, Inc.<sup>4</sup></li> <li>• Kutry Management Inc.<sup>5</sup></li> <li>• Rixford Investment Corporation<sup>4</sup></li> <li>• Villarosa Investments Corporation<sup>6</sup></li> </ul>		<ul style="list-style-type: none"> <li>• Kattus II Corporation<sup>2</sup></li> </ul>
	British Virgin Islands		<ul style="list-style-type: none"> <li>• Gimber Investing Corporation<sup>4</sup></li> <li>• MLA Investments Inc.<sup>6</sup></li> </ul>		
			<b>Footnotes indicate date of designation by OFAC.</b>		
		(1) 17-Mar-2005 (2) 11-May-2005 (3) 30-Nov-2005	(4) 13-Jun-2006 (5) 31-Oct-2006 (6) 28-Nov-2006		



## GRAJALES LEMOS ORGANIZATION

### *Background:*

Raul Alberto GRAJALES LEMOS began his drug trafficking activities as early as 1985. For many years, Raul Alberto GRAJALES LEMOS maintained significant business relationships with other narcotics traffickers of the North Valle drug cartel, including SDNT principal individuals Ivan URDINOLA GRAJALES and Carlos Alberto RENTERIA MANTILLA.

In 1994, Raul Alberto GRAJALES LEMOS was indicted on cocaine trafficking charges in the Southern District of Florida. In 1995, the indictment against Raul Alberto GRAJALES LEMOS was superseded to include Beto RENTERIA.

On May 11, 2005, OFAC designated Raul Alberto GRAJALES LEMOS as an SDNT principal individual and also named 32 companies and 30 other individuals as SDNTs. The financial network managed by Raul Alberto GRAJALES LEMOS, known as *Grupo Grajales*, consists of agricultural companies, a winery, a hotel, a department store chain (*Casa Estrella*), and multiple holding companies in Colombia and Aruba. Most of the other individuals designated are family members and associates of Raul Alberto GRAJALES LEMOS who assist in the management of this financial network.

On November 30, 2005, OFAC designated two individuals involved in managing the already designated *Casa Estrella* department store chain on behalf of Raul Alberto GRAJALES LEMOS and Beto RENTERIA. In addition, three companies were also named, including one located in the United States.

On June 13, 2006, OFAC designated five individuals involved in managing the *Casa Estrella* department store chain on behalf of Raul Alberto GRAJALES LEMOS and Beto RENTERIA. An additional 20 companies were named as SDNTs, including off-shore companies in Panama and the British Virgin Islands and six companies located in the United States.

On November 28, 2006, OFAC designated 17 companies controlled directly by Raul GRAJALES LEMOS or indirectly through his family members and close associates. These companies, all located in Colombia, are involved in various economic sectors, including consulting, telecommunications, construction, and agriculture. Four additional associates of Raul GRAJALES LEMOS were also named as SDNTs.

Also on November 28, 2006, OFAC designated five off-shore companies associated with the RENTERIA MANTILLA and the GRAJALES LEMOS organizations, located in Barbados, the British Virgin Islands, the Cayman Islands, and Panama.<sup>13</sup>

13. SDNT associates Moises Abdal SAIEH MUVDI, Carlos Ernesto SAIEH JAMIS, and Abdala SAIEH JASSIR run these five off-shore companies on behalf of the RENTERIA MANTILLA and the GRAJALES LEMOS organizations and have also played key management roles in *Casa Estrella*. See also “RENTERIA MANTILLA Organization” chart.

OFAC continues to investigate front persons and companies that are acting for or on behalf of Raul Alberto GRAJALES LEMOS and Beto RENTERIA.

### *Related Impact:*

OFAC designations since May 2005 helped publicly expose the GRAJALES LEMOS organization and played a key role in increased Colombian law enforcement pressure targeting GRAJALES LEMOS's associates and financial assets.

#### SECTION 3

- ◆ In the days following the designation of Raul GRAJALES LEMOS on May 11, 2005, Colombian authorities arrested him and several of his SDNT associates on charges of money laundering.
- ◆ In June 2005, one month after OFAC's designation of the *Grupo Grajales* companies, Colombian authorities seized many of the designated companies, including the winery and fruit companies, as well as real estate and other assets, estimated to be valued at well over \$100 million.
- ◆ In October 2005, additional properties belonging to *Grupo Grajales* were seized.
- ◆ In June 2006, additional SDNT associates of Raul GRAJALES LEMOS and Beto RENTERIA were arrested by Colombian authorities on charges of money laundering.
- ◆ In August 2006, Colombian authorities seized the SDNT department store chain *Casa Estrella* along with other companies and properties. The properties alone were estimated to be worth approximately \$38.5 million

# GRAJALES LEMOS ORGANIZATION



**Raul Alberto  
GRAJALES LEMOS**

**Date of Designation:** 11-May-2005  
**POB:** La Union, Valle, Colombia  
**DOB:** 13-Dec-1957  
**Cedula Number:** 6356044  
**Indictments:** 1994, Southern District of Florida.  
**Arrests/Convictions:** Arrested in May-2005 by Colombian authorities for money laundering.

## KEY FAMILY MEMBERS



**Gloria Elena  
LONDONO ALVAREZ**  
 Designation Date: 11-May-2005  
 Relationship: Wife  
 Cedula: 51635146  
 DOB: 22-Apr-1962



**Aida Salome  
GRAJALES LEMOS**  
 Designation Date: 11-May-2005  
 Relationship: Sister  
 Cedula: 39789871  
 DOB: 13-Dec-1970



**Sonia Patricia  
GRAJALES BERNAL**  
 Designation Date: 11-May-2005  
 Relationship: Cousin  
 Cedula: 29613767



**Juan Raul  
GRAJALES LONDONO**  
 Designation Date: 11-May-2005  
 Relationship: Son  
 Cedula: 11167762  
 DOB: 10-Oct-1986



**Lina Maria  
GRAJALES LONDONO**  
 Designation Date: 11-May-2005  
 Relationship: Daughter  
 Cedula: 29567575  
 DOB: 13-Mar-1979



**Diana Carolina  
GRAJALES PUENTES**  
 Designation Date: 11-May-2005  
 Relationship: Daughter  
 Cedula: 52455790  
 DOB: 15-Mar-1979

## KEY BUSINESS ASSOCIATES



**Lubin  
BOHADA AVILA**  
 Designation Date: 11-May-2005  
 Cedula: 19093178



**Alfonso  
RICARDO DIAZ**  
 Designation Date: 11-May-2005  
 Cedula: 14950952



**Carlos Alberto  
GOMEZ QUINTERO**  
 Designation Date: 11-May-2005  
 Cedula: 6355791  
 DOB: 23-Jan-1957



**Armando Jacobo  
JAAR JASSIR**  
 Designation Date: 30-Nov-2005  
 Cedula: 7432263  
 DOB: 20-Jan-1947



**Bernado Antonio  
MARIN TOBON**  
 Designation Date: 11-May-2005  
 Cedula: 6355508



**Orlando  
OSORIO AVILA**  
 Designation Date: 11-May-2005  
 Cedula: 6355939



**Maria Sair  
PELISSIER OSPINA**  
 Designation Date: 30-Nov-2005  
 Cedula: 51561790  
 DOB: 20-Jun-1958



**Francisco Javier  
DUQUE CORREA**  
 Designation Date: 13-Jun-2006  
 Cedula: 8292581  
 DOB: 4-Apr-1948



**Mauricio  
PARDO OJEDA**  
 Designation Date: 17-Mar-2005  
 Cedula: 19445690  
 DOB: 27-Jul-1961

# North Valle Drug Cartel: Raul Alberto GRAJALES LEMOS

TYPE OF INDUSTRY					
		Agro-Industrial	Investment	Retail	Other
<b>BY REGION</b>	<b>North Coast</b>				
	Barranquilla		<ul style="list-style-type: none"> <li>Armando Jaar Y Cia. S.C.S.<sup>2</sup></li> <li>Carlos Saieh Y Cia. S.C.S.<sup>3</sup></li> <li>Finanzas Del Norte Luis Saieh Y Cia. S.C.A. (f.k.a. Finanzas Del Norte Ltda.)<sup>3</sup></li> <li>Inversiones Del Prado Abdala Saieh Y Cia. S.C.A.<sup>3</sup></li> <li>Moises Saieh Y Cia. S.C.A.<sup>3</sup></li> <li>Ricardo Jaar Y Cia. S.C.S.<sup>3</sup></li> </ul>		<ul style="list-style-type: none"> <li>Confecciones Lord S.A.<sup>3</sup></li> <li>Constructora Altavista Internacional S.A. (a.k.a. Conasa S.A.)<sup>3</sup></li> <li>Urbanizadora Altavista Internacional S.A. (f.k.a. Telnet S.A.; a.k.a. Urbavista)<sup>3</sup></li> </ul>
	Malambo	<ul style="list-style-type: none"> <li>Industrias Del Espiritu Santo S.A.<sup>1</sup></li> </ul>			
	<b>Bogota</b>				
	Bogota	<ul style="list-style-type: none"> <li>International Freeze Dried S.A. (a.k.a. IFD S.A.)<sup>1</sup></li> </ul>		<ul style="list-style-type: none"> <li>Almacaes S.A.<sup>1</sup></li> <li>Corporacion De Almacenes Por Departamentos S.A. (a.k.a. C.A.D. S.A.)<sup>1</sup></li> <li>G.L.G. S.A. (a.k.a. Casa Estrella)<sup>1</sup></li> <li>Ilovin S.A.<sup>1</sup></li> <li>Ramal S.A.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Comercializadora Pelissier Ospina Ltda.<sup>2</sup></li> <li>Manufacturas Real S.A. (f.k.a. Manufacturas Real Ltda.)<sup>4</sup></li> <li>Salome Grajales Y Cia. Ltda.<sup>1</sup></li> </ul>
	<b>Valle del Cauca</b>				
	La Union	<ul style="list-style-type: none"> <li>Casa Grajales S.A.<sup>1</sup></li> <li>Construcciones E Inversiones Ltda.<sup>4</sup></li> <li>Doxa S.A.<sup>4</sup></li> <li>Fundacion Centro Fruticola Andino<sup>4</sup></li> <li>Frutas Exoticas Colombianos S.A. (a.k.a. Frexco S.A.)<sup>1</sup></li> <li>Grajales S.A.<sup>1</sup></li> <li>Transportes Del Espiritu Santo S.A.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Agustin Grajales Y Cia. Ltda.<sup>1</sup></li> <li>Armagedon S.A.<sup>1</sup></li> <li>Creta S.A.<sup>1</sup></li> <li>GAD S.A.<sup>1</sup></li> <li>Inversiones Aguila Ltda.<sup>1</sup></li> <li>Inversiones Grame Ltda.<sup>1</sup></li> <li>Inversiones Los Posso Ltda. S.C.S.<sup>1</sup></li> <li>Inversiones Santa Cecilia S.C.S.<sup>1</sup></li> <li>Inversiones Santa Monica Ltda.<sup>1</sup></li> <li>Macedonia Ltda.<sup>1</sup></li> <li>Salim S.A.<sup>1</sup></li> <li>Sociedad De Negocios San Augustin Ltda.</li> </ul>		<ul style="list-style-type: none"> <li>Citicar Ltda.<sup>4</sup></li> <li>Confecciones Lina Maria Ltda.<sup>4</sup></li> <li>Los Vinedos De Getsemani S.A. (a.k.a. Hotel Los Vinedos)<sup>1</sup></li> </ul>
	Toro	<ul style="list-style-type: none"> <li>Agropecuaria El Nilo S.A. (a.k.a. Agronilo S.A.)<sup>1</sup></li> </ul>			
	Tulua		<ul style="list-style-type: none"> <li>Hebron S.A.<sup>1</sup></li> <li>Ibadan Ltda.<sup>1</sup></li> <li>Josafat S.A.<sup>1</sup></li> </ul>		<ul style="list-style-type: none"> <li>Jehova Ltda.<sup>4</sup></li> </ul>
	<b>Cali</b>				
	Cali	<ul style="list-style-type: none"> <li>GBS Trading S.A.<sup>4</sup></li> <li>World Working Comercializadora Internacional S.A. (f.k.a. C.I. Glos's International S.A.; a.k.a. World Working C.I.)<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Panamericana Ltda.<sup>1</sup></li> </ul>		<ul style="list-style-type: none"> <li>Asesores Consultores Asociados Ltda. (a.k.a. Aca Ltda.)<sup>4</sup></li> <li>Cali @ Tele.Com Ltda. (a.k.a. Hola Telecomunicaciones)<sup>4</sup></li> <li>Comunicaciones Abiertas Camary Ltda.<sup>4</sup></li> <li>L.G.R. E.U. (a.k.a. Plateria L.Gr. E.U.)<sup>4</sup></li> <li>Melon Ltda.<sup>4</sup></li> <li>Plaza Real Ltda.<sup>4</sup></li> </ul>
	<b>Outside of Colombia</b>				
	Florida		<ul style="list-style-type: none"> <li>Jacaria Florida, Inc. (Miami, Florida)<sup>2</sup></li> <li>Alm Investment Florida, Inc.<sup>3</sup></li> <li>Granada Associates, Inc.<sup>3</sup></li> <li>Karen Overseas Florida, Inc.<sup>3</sup></li> <li>Sunset &amp; 97th Holdings, Llc.<sup>3</sup></li> <li>Villarosa Investments Florida, Inc.<sup>3</sup></li> <li>Marc Llc.<sup>3</sup></li> </ul>		

**Footnotes indicate date of designation by OFAC.**

(1) 11-May-2005

(2) 30-Nov-2005

(3) 13-Jun-2006

(4) 28-Nov-2006

## North Valle Drug Cartel: Raul Alberto GRAJALES LEMOS

TYPE OF INDUSTRY			
	Agro-Industrial	Investment	Retail
Panama	<ul style="list-style-type: none"> <li>Industrias Agropecuarias El Eden S.A.<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Cipe Investments Corporation<sup>3</sup></li> <li>Eagle Communication Brokers Inc.<sup>4</sup></li> <li>Elizabeth Overseas Inc.<sup>3</sup></li> <li>Karen Overseas, Inc.<sup>3</sup></li> <li>Rixford Investment Corporation<sup>3</sup></li> <li>Kattus li Corporation<sup>3</sup></li> </ul>	
British Virgin Islands		<ul style="list-style-type: none"> <li>Gimber Investing Corporation<sup>3</sup></li> </ul>	
Aruba		<ul style="list-style-type: none"> <li>Blackmore Investments A.V.V.<sup>3</sup></li> </ul>	

**Footnotes indicate date of designation by OFAC.**

(1) 11-May-2005	(3) 13-Jun-2006
(2) 30-Nov-2005	(4) 28-Nov-2006



## VARELA ORGANIZATION

### *Background:*

Wilber VARELA is a leader in the North Valle drug cartel, responsible for, among his other responsibilities, the oversight of security and enforcement for the drug cartel. This former police officer began as the lead assassin working for Jose Orlando HENAO MONTOYA,<sup>14</sup> who until his death in 1998, was the undisputed head of the North Valle drug cartel. After Jose Orlando HENAO MONTOYA's death, VARELA rose in the drug cartel ranks by killing, one after another, rival drug cartel leaders.

SECTION 3

In May 2004, the U.S. Attorney's Office for the District of Columbia charged the leaders of Colombia's North Valle drug cartel, including Wilber VARELA, with RICO violations. The U.S. federal indictment charged the North Valle drug cartel with drug trafficking, money laundering, and the kidnapping, torture, and murder of informants and other drug traffickers. The U.S. Department of State simultaneously announced a reward of up to \$5 million for information leading to the arrest of any of the individuals on the indictment. Additionally, the U.S. Attorney's Office for the Eastern District of New York separately indicted VARELA on narcotics trafficking charges.

On November 9, 2005, OFAC named Wilber VARELA (a.k.a. "Jabon") as a principal SDNT individual of the North Valle drug cartel. OFAC also designated 10 associates and four entities, including a front company in Mexico, connected with VARELA's drug trafficking organization.

On October 25, 2006, OFAC designated Carlos Arturo PATIÑO RESTREPO (a.k.a. "Pate-muro"), a rising North Valle drug cartel trafficker, who has been tied to SDNT principal individuals Luis Hernando GOMEZ BUSTAMANTE as well as Wilber VARELA. Two PATIÑO RESTREPO companies, located in Pereira, Colombia—*Comercializadora de Café del Occidente Codecafe Ltda. and Inversiones Macarnic Patiño y Cia S.C.S.*—were also named.

### *Related Impact:*

OFAC designations since November 2005 helped publicly expose the VARELA organization and played a key role in increased Colombian law enforcement pressure targeting VARELA's associates and financial assets:

- ◆ In November 2005, VARELA associate and SDNT individual Julio Cesar LOPEZ PEÑA was arrested in Colombia. He was extradited to the Southern District of New York in March 2006, where he has been indicted on narcotics trafficking charges.
- ◆ In May 2006, Colombian law enforcement arrested VARELA associate Luis Enrique CALLE

14. Older brother of SDNT principal Arcangel de Jesus HENAO MONTOYA.

SERNA, who was named an SDNT individual in the November 2005 action.

- ◆ In June 2006, the Colombian National Police raided the offices of key VARELA associate Roberto LONDOÑO VELEZ, who was named an SDNT individual in the November 2005 OFAC action.
- ◆ In September 2006, Colombian authorities seized properties and companies belonging to SDNT individual Eduardo RESTREPO VICTORIA (a.k.a. “El Socio”), who is a key associate of the VARELA organization. Colombian authorities valued the seized assets at more than \$22 million.

# VARELA ORGANIZATION



**Wilber  
VARELA**

**Aliases:** "Jabon"  
**Date of Designation:** 9-Nov-2005  
**POB:** Roldanillo, Valle, Colombia  
**DOB:** 6-Nov-1954  
**Cedula Number:** 16545384  
**Passport Number:** AF427757  
**Indictments:** 6-May-2004 Eastern District of New York. 6-May-2004 District of Colombia (RICO charges against North Valle drug cartel)  
**Arrests/Convictions:** Currently fugitive from U.S. justice.

## KEY FAMILY MEMBERS

None have been designated.

## KEY ASSOCIATES



**Ramon Alberto  
QUINTERO SANCLEMENTE**  
Designation Date: 9-Nov-2005  
Cedula: 14881147  
DOB: 30-Nov-1960



**Eduardo  
RESTREPO VICTORIA**  
Designation Date: 9-Nov-2005  
Cedula: 12187343  
DOB: 28-Sept-1958



**Jose Ignacio  
BEDOYA VELEZ**  
Designation Date: 9-Nov-2005  
Cedula: 16351225  
DOB: 6-Jan-1959



**Julio Cesar  
LOPEZ PENA**  
Designation Date: 9-Nov-2005  
Cedula: 16655942  
DOB: 25-Jun-1961



**Luis Enrique  
CALLE SERNA**  
Designation Date: 9-Nov-2005  
Cedula: 94487319  
DOB: 16-Aug-1976



**Roberto  
LONDONO VELEZ**  
Designation Date: 9-Nov-2005  
Cedula: 7527342  
DOB: 17-Dec-1958



**Jaime Alberto  
MARIN ZAMORA**  
Designation Date: 9-Nov-2005  
Cedula: 7544228  
DOB: 22-Jul-1964



**Carlos Arturo  
PATIÑO RESTREPO**  
Designation Date: 25-Oct-2006  
Cedula: 9991679  
DOB: 27-Apr-1964

## North Valle Drug Cartel: Wilber VARELA

INDUSTRY TYPE				
		Agro-Industrial	Investment	Other/Commercial
<b>BY REGION</b>	<b>Central Colombia-Armenia</b>			
	Armenia			<ul style="list-style-type: none"> <li>• Asesorias Profesionales Ltda.</li> <li>• Plastec Ltda.</li> </ul>
	Ibague	<ul style="list-style-type: none"> <li>• Agropecuaria Palma del Rio S.A.</li> </ul>		
	Pereira	<ul style="list-style-type: none"> <li>• Comercializadora De Café Del Occidente Codecafe Ltda. (a.k.a. Codecafe)</li> </ul>	<ul style="list-style-type: none"> <li>• Inversiones Macarnic Patiño y Cia. S.C.S.</li> </ul>	
	<b>Outside of Colombia</b>			
Mexico			<ul style="list-style-type: none"> <li>• RR Tour S.A. de C.V.</li> </ul>	

All Designated by OFAC as SDNTs on 9-Nov-2005.

## CANO CORREA ORGANIZATION

### *Background:*

Jhonny CANO CORREA worked as a key lieutenant in the drug trafficking organization led by SDNT principal Luis Hernandez GOMEZ BUSTAMANTE, designated by OFAC in October 2002. A violent drug trafficker, Jhonny CANO CORREA is allegedly responsible for multiple murders. Following GOMEZ BUSTAMANTE's arrest in 2004, CANO CORREA rose within the North Valle drug cartel to become a leader of his own drug trafficking organization.

In July 2003, Jhonny CANO CORREA was indicted on drug trafficking and money laundering charges in the District Court for the Eastern District of New York.

In October 2005, Colombian authorities arrested Jhonny CANO CORREA. He was extradited to the United States on September 22, 2006.

On October 25, 2006, OFAC designated Jhonny CANO CORREA as a principal leader in the North Valle drug cartel. The designation included Jhonny CANO CORREA's principal holding company, *Cano Agudelo S. en C.*, and three business associates.

### *Related Impact:*

OFAC's recent designations in October 2006 helped identify and expose the CANO CORREA organization. CANO CORREA businesses in Colombia now face the prospect of commercial and financial isolation.

SECTION 3

# CANO CORREA ORGANIZATION



**Jhon Eidelber  
CANO CORREA**

**Date of Designation:** 25-Oct-2006  
**POB:** El Aguila, Valle, Colombia  
**DOB:** 13-Dec-1963  
**Cedula Number:** 16455750  
**Passport Number:** AC877214  
**Indictments:** Jul-2003 Eastern District of New York.  
**Arrests/Convictions:** Arrested by Colombian authorities in Oct-2005. Extradited to the United States in Sept-2006.

## KEY FAMILY MEMBERS

None have been designated.

## KEY BUSINESS ASSOCIATES



**Yolanda Sofia  
CANO ALZATE**  
Designation Date: 25-Oct-2006  
Cedula: 31399608  
DOB: 25-Apr-1957



**Juan Carlos  
PATIÑO TORRES**  
Designation Date: 25-Oct-2006  
Cedula: 10141042  
DOB: 26-Jun-1971



**Juan de la Cruz  
GALLEGO CANO**  
Designation Date: 25-Oct-2006  
Cedula: 6272570  
DOB: 26-Feb-1956

## North Valle Cartel: Jhon Eidelber CANO CORREA

INDUSTRY TYPE		
Hotel		Investment
<b>BY REGION</b>	<b>Valle del Cauca</b>	
	Alcala	<ul style="list-style-type: none"> <li>• Cano Agudelo S. en C.</li> </ul>
	Cartago	<ul style="list-style-type: none"> <li>• Gaviotas Ltda. (a.k.a. Hotel Sin Pecados; a.k.a. Motel Campo Amor; a.k.a. "Hotel Sin PK2")</li> </ul>

All Designated by OFAC as SDNTs on 25-Oct-2006.

## SABOGAL ZULUAGA ORGANIZATION

### *Background:*

Orlando SABOGAL ZULUAGA served as a lieutenant in the Luis Hernando GOMEZ BUSTAMANTE drug trafficking organization. GOMEZ BUSTAMANTE, designated by OFAC in October 2002, was one of North Valle's top leaders until his arrest in 2004. With GOMEZ BUSTAMANTE's organization now impaired, SABOGAL ZULUAGA became one of the North Valle drug cartel's most powerful leaders, forming his own drug trafficking organization. Press reports have called SABOGAL ZULUAGA the second-in-command of the North Valle drug cartel.

SECTION 3

In July 2003, Orlando SABOGAL ZULUAGA was indicted on drug trafficking and money laundering charges in the District Court for the Eastern District of New York.

On October 25, 2006, OFAC named Orlando SABOGAL ZULUAGA as a principal leader in the North Valle drug cartel. Included in this designation were several key family members of SABOGAL ZULUAGA and their principal holding company, *Orlando Sabogal Zuluaga e Hijos & Cia. S. en C.* in Colombia. Orlando SABOGAL ZULUAGA and his family members all had alternative forms of identification from Venezuela.

On October 26, 2006, Orlando SABOGAL ZULUAGA was arrested by Spanish authorities outside of Madrid, Spain. He awaits extradition to the United States.

### *Related Impact:*

OFAC's recent designations in October 2006 helped identify and expose the SABOGAL ZULUAGA organization. SABOGAL ZULUAGA businesses in Colombia now face the prospect of commercial and financial isolation.

Shortly after his designation, SABOGAL ZULUAGA was arrested by Spanish police outside of Madrid, Spain.

# SABOGAL ZULUAGA ORGANIZATION



**Orlando  
SABOGAL ZULUAGA**

**Date of Designation:** 25-Oct-2006  
**POB:** Toro, Valle, Colombia  
**DOB:** 22 Feb 1966  
**Cedula Number:** 18505378  
**Passport Number:** AC635727  
**Indictments:** Jul-2003 Eastern District of New York  
**Arrests/Convictions:** Oct-2006, arrested by Spanish police outside of Madrid.

## KEY FAMILY MEMBERS



**Diana Patricia  
ZULUAGA ALZATE**  
Designation Date: 25-OCT-2006  
Relationship: Wife  
Cedula: 25246532



**Daniela  
SABOGAL ZULUAGA**  
Designation Date: 25-Oct-2006  
Relationship: Daughter  
Cedula: TI-89071954430 (Colombia)  
Cedula: 22012785 (Venezuela)  
DOB: 19-Jul-1989



**Juliana  
SABOGAL ZULUAGA**  
Designation Date: 25-Oct-2006  
Relationship: Daughter  
Cedula: TI-87032853519 (Colombia)  
Cedula: 22012784 (Venezuela)  
DOB: 28-Aug-1987



**Felipe  
SABOGAL ZULUAGA**  
Designation Date: 25-Oct-2006  
Relationship: Son  
Cedula: TI-92013100049 (Colombia)  
Cedula: 22012787 (Venezuela)  
DOB: 31-Jan-1992

## KEY BUSINESS ASSOCIATES

None have been designated.

# North Valle Cartel: Orlando SABOGAL ZULUAGA

INDUSTRY TYPE	
Investment	
BY REGION	Valle del Cauca
	Ansermanuevo <ul style="list-style-type: none"><li>Orlando Sabogal Zuluaga E Hijos &amp; Cia. S. en C.</li></ul>

Designated by OFAC as an SDNT on 25-Oct-2006.



## NORTH COAST CARTEL

On May 27, 1998, OFAC expanded its list of SDNT principal individuals beyond the Cali drug cartel to include Julio Cesar NASSER DAVID, a long-time leader of Colombia's North Coast drug cartel. Drug traffickers along Colombia's northern coast originally operated as maritime transporters for the Cali and Medellin drug cartels. Although smaller and more de-centralized than both the Cali and North Valle drug cartels, the more autonomous networks of independent maritime drug traffickers, such as Julio Cesar NASSER DAVID, are both highly profitable and powerful.

To date, DEA has identified several drug trafficking organizations based on the North Coast of Colombia that use maritime shipping routes in the Caribbean to funnel tons of cocaine to the United States each year. These organizations direct networks of transporters that oversee the importation, storage, exportation, and wholesale distribution of cocaine destined for the United States. In the 1990s, the North Coast of Colombia also became a major embarkation zone for "go-fast" vessels laden with multi-ton quantities of cocaine destined for the United States through Caribbean and Central American countries. According to DEA testimony, it is estimated that several hundred "go-fast" boats leave the North Coast annually and each "go-fast" has the capability to transport between 1.5 and 2 metric tons of cocaine.

Maritime drug trafficking from the North Coast of Colombia continues to present a major threat and several U.S. law enforcement operations have targeted the activity. "Operation Panama Express," an Organized Crime Drug Enforcement Task Force ("OCDETF") investigation under the U.S. Attorney's Office for the Middle District of Florida (Tampa Division) includes the participation of the Department of Homeland Security's Immigration and Customs Enforcement ("ICE"), the Drug Enforcement Administration, the Federal Bureau of Investigation ("FBI"), the Internal Revenue Service ("IRS") and state and local law enforcement. Since the late 1990s, "Operation Panama Express" has investigated cocaine smuggling organizations that are responsible for the transportation of cocaine through the Caribbean Sea (via vessel) to trans-shipment locations, such as Mexico, for later distribution in the United States. As of January 2006, "Operation Panama Express" has been responsible for the seizure and/or destruction at sea of approximately 469.4 tons of cocaine and the arrest of over 1,085 persons involved in drug trafficking from Colombia's North Coast.

Julio Cesar NASSER DAVID, now deceased, smuggled multi-ton quantities of cocaine and marijuana to the United States via commercial shipments and maritime vessels from the northern coast of Colombia. Relying on the use of containerized cargo, he transported the narcotics through national and international waters.

## NASSER DAVID ORGANIZATION

### *Background:*

In 1976, Julio Cesar NASSER DAVID first became involved in narcotics trafficking. Based out of Colombia's North Coast region, Julio Cesar NASSER DAVID started a major drug trafficking and money laundering organization that eventually smuggled multi-ton quantities of cocaine and marijuana into the United States.

In 1989, Julio Cesar NASSER DAVID was indicted on narcotics trafficking and money laundering charges in the Western District of Louisiana. He was later indicted in 1995 on narcotics trafficking and money laundering charges by the U.S. Attorney's Office for the Southern District of Florida. In 1997, Julio Cesar NASSER DAVID was arrested by Colombian authorities. Arrests of several key family members followed.

On May 27, 1998, OFAC designated Julio Cesar NASSER DAVID as an SDNT principal individual and also named four associated individuals and 14 companies as SDNTs. A total of 12 additional companies were named as SDNTs in June 1999 and December 2000. Most of the designated companies were involved in hotels and real estate in Barranquilla, Colombia.

Julio Cesar NASSER DAVID remained incarcerated in Colombia until his death in 2001.

### *Related Impact:*

The May 1998 OFAC designation of NASSER DAVID as an SDNT principal individual, coming a year after his arrest in Colombia, disrupted his ability to effectively manage his financial network from jail. After OFAC designation, Colombian businessmen in Barranquilla avoided doing business with NASSER DAVID's companies for fear that they, too, would face designation.

OFAC designations since May 1998 helped publicly expose the NASSER DAVID organization and played a key role in increased Colombian law enforcement pressure targeting NASSER DAVID's associates and financial assets:

- ◆ The majority of NASSER DAVID's assets were tied to several hotels and real estate management companies in Barranquilla, Colombia. Hotel del Prado, the only four-star hotel in Barranquilla for many years, was wholly owned by the NASSER DAVID front companies designated by OFAC. The Colombian Government seized Hotel del Prado in March 1997 along with many other assets. The forfeiture proceedings following the seizure were finalized in January 2007. The forfeited assets, valued at approximately \$44 million, included 20 NASSER DAVID companies, most of which were designated by OFAC.

This organization was seriously impaired as a result of NASSER DAVID's arrest, OFAC sanctions, and NASSER DAVID'S subsequent death.

# NASSER DAVID ORGANIZATION



**DECEASED**

## **Julio Cesar NASSER DAVID**

**Deceased:** Jan-2001 (Died in Colombian prison)

**Date of Designation:** 27-May-1998

**POB:** Colombia

**DOB:** 1-Nov-1940

**Cedula Number:** 3710619

**Passport Number:** H130865

**Indictments:** U.S. Indictments for narcotics trafficking and money laundering; 1989, Western District of Louisiana; 1990, Middle District of Florida; 1991, Southern District of Florida; 1993, Middle District of Florida; 1994, Southern District of Florida; 1995, Southern District of Florida.

**Arrests/Convictions:** Arrested 9-Aug-1997 by Colombian authorities. Remained incarcerated in Colombia until his death in 2001.

## KEY FAMILY MEMBERS



### **Jorge "Tito" NASSER ARANA**

Designation Date: 27-May-1998

Relationship: Son

Cedula: 72139939

DOB: 6-Nov-1966



### **Carlos Alberto NASSER ARANA**

Designation Date: 27-May-1998

Relationship: Son

Cedula: 8745045

DOB: 21-Nov-1964



### **Jairo Abraham ARANA MARIA**

Designation Date: 27-May-1998

Relationship: Brother-in-law of

Nasser David's wife

Cedula: 7450538

DOB: 8-Feb-1953



### **Claudia Patricia NASSER ARANA**

Designation Date: 27-May-1998

Relationship: Daughter

Cedula: 32665137

DOB: 23-Jan-1966

## KEY BUSINESS ASSOCIATES

None have been designated.

## North Coast Drug Cartel: Julio Cesar NASSER DAVID

TYPE OF INDUSTRY				
BY REGION				
North Coast				
Agro-Industrial	Hotel Management	Real Estate	Other	
Barranquilla	<ul style="list-style-type: none"> <li>• Agricola Songo Ltda.<sup>1</sup></li> <li>• Campo Verde Ltda.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Gran Compañía de Hoteles Ltda. (a.k.a. Granco)<sup>1</sup></li> <li>• Hoteles e Inmuebles de Colombia Ltda. (a.k.a. Hotincol)<sup>1</sup></li> <li>• Inmobiliaria del Caribe Ltda.<sup>1</sup></li> <li>• Inmobiliaria Hotelera del Caribe Ltda. (a.k.a. Inhocar)<sup>1</sup></li> <li>• Inversiones Hoteleras del Litoral Ltda. (a.k.a. Inhotel)<sup>1</sup></li> <li>• Inversiones Prado Trade Center Ltda. (a.k.a. Ipracaribe)<sup>1</sup></li> <li>• Promotora Hotel Barranquilla Ltda.<sup>1</sup></li> <li>• Suramericana de Hoteles Ltda. (a.k.a. Suratel)<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Desarrollos Urbanos "Desarrollar" Ltda. (a.k.a. Desarrollar Ltda.)<sup>1</sup></li> <li>• Edificaciones del Caribe Ltda. (a.k.a. Edificar)<sup>1</sup></li> <li>• Inversiones Namos y Cia. Ltda.<sup>2</sup></li> <li>• Negocios y Propiedades del Caribe Ltda. (f.k.a. Negociar Ltda.)<sup>1</sup></li> <li>• Promociones y Construcciones del Caribe Ltda.<sup>1</sup></li> <li>• Promociones y Construcciones del Caribe Ltda. y Cia. S.C.A. (a.k.a. Promocon)<sup>1</sup></li> <li>• Proyectos J.A.M. Ltda.<sup>2</sup></li> <li>• Proyectos J.A.M. Ltda. Y Cia. S. en C.<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• C.N.A. Publicidad Ltda.<sup>2</sup></li> <li>• Happy Days S. de H.<sup>3</sup></li> <li>• K. P. To Jeans Wear S. de H.<sup>2</sup></li> <li>• Titos Bolo Club<sup>2</sup></li> <li>• Vestimenta J y J S. de H.<sup>3</sup></li> <li>• Villa de Arte S. de H. (a.k.a. Villa D'arte)<sup>2</sup></li> </ul>

**Footnotes indicate date of designation by OFAC.**

(1) 26-May-1998

(2) 8-Jun-1999

(3) 7-Dec-2000

# APPENDIX



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**International Emergency Economic Powers Acts (“IEEPA”)**

## UNITED STATES CODE

## TITLE 50. WAR AND NATIONAL DEFENSE

## CHAPTER 35. INTERNATIONAL EMERGENCY ECONOMIC POWERS

**§ 1701. Unusual and extraordinary threat; declaration of national emergency; exercise of Presidential authorities**

(a) Any authority granted to the President by section 1702 of this title may be exercised to deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat.

(b) The authorities granted to the President by section 1702 of this title may only be exercised to deal with an unusual and extraordinary threat with respect to which a national emergency has been declared for purposes of this chapter and may not be exercised for any other purpose. Any exercise of such authorities to deal with any new threat shall be based on a new declaration of national emergency which must be with respect to such threat.

**§ 1702. Presidential authorities**

(a)(1) At the times and to the extent specified in section 1701 of this title, the President may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise--

(A) investigate, regulate, or prohibit--

- (i) any transactions in foreign exchange,
- (ii) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof,
- (iii) the importing or exporting of currency or securities, by any person, or with respect to any property, subject to the jurisdiction of the United States;

(B) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest by any person, or with respect to any property, subject to the jurisdiction of the United States; and

(C) when the United States is engaged in armed hostilities or has been attacked by a foreign country or foreign nationals, confiscate any property, subject to the jurisdiction of the United States, of any foreign person, foreign organization, or foreign country that he determines has planned, authorized, aided, or engaged in such hostilities or attacks against the United States; and all right, title, and interest in any property so confiscated shall vest, when, as, and upon the terms directed by the President, in such agency or person as the President may designate from time to time, and upon such terms and conditions as the President

may prescribe, such interest or property shall be held, used, administered, liquidated, sold, or otherwise dealt with in the interest of and for the benefit of the United States, and such designated agency or person may perform any and all acts incident to the accomplishment or furtherance of these purposes.

(2) In exercising the authorities granted by paragraph (1), the President may require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in paragraph (1) either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of such paragraph. In any case in which a report by a person could be required under this paragraph, the President may require the production of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(3) Compliance with any regulation, instruction, or direction issued under this chapter shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this chapter, or any regulation, instruction, or direction issued under this chapter.

(b) The authority granted to the President by this section does not include the authority to regulate or prohibit, directly or indirectly--

(1) any postal, telegraphic, telephonic, or other personal communication, which does not involve a transfer of anything of value;

(2) donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, except to the extent that the President determines that such donations (A) would seriously impair his ability to deal with any national emergency declared under section 1701 of this title, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances; or

(3) the importation from any country, or the exportation to any country, whether commercial or otherwise, regardless of format or medium of transmission, of any information or informational materials, including but not limited to, publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds. The exports exempted from regulation or prohibition by this paragraph do not include those which are otherwise controlled for export under section 2404 of the Appendix to this title, or under section 2405 of the Appendix to this title to the extent that such controls promote the nonproliferation or antiterrorism policies of the United States, or with respect to which acts are prohibited by chapter 37 of Title 18;

(4) any transactions ordinarily incident to travel to or from any country, including importation of accompanied baggage for personal use, maintenance within any country

including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including nonscheduled air, sea, or land voyages.

(c) Classified information.--In any judicial review of a determination made under this section, if the determination was based on classified information (as defined in section 1(a) of the Classified Information Procedures Act) such information may be submitted to the reviewing court *ex parte* and *in camera*. This subsection does not confer or imply any right to judicial review.

### **§ 1703. Consultation and reports**

#### (a) Consultation with Congress

The President, in every possible instance, shall consult with the Congress before exercising any of the authorities granted by this chapter and shall consult regularly with the Congress so long as such authorities are exercised.

#### (b) Report to Congress upon exercise of Presidential authorities

Whenever the President exercises any of the authorities granted by this chapter, he shall immediately transmit to the Congress a report specifying--

- (1) the circumstances which necessitate such exercise of authority;
- (2) why the President believes those circumstances constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;
- (3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;
- (4) why the President believes such actions are necessary to deal with those circumstances; and
- (5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

#### (c) Periodic follow-up reports

At least once during each succeeding six-month period after transmitting a report pursuant to subsection (b) of this section with respect to an exercise of authorities under this chapter, the President shall report to the Congress with respect to the actions taken, since the last such report, in the exercise of such authorities, and with respect to any changes which have occurred concerning any information previously furnished pursuant to paragraphs (1) through (5) of subsection (b) of this section.

#### (d) Supplemental requirements

The requirements of this section are supplemental to those contained in title IV of the National Emergencies Act [50 U.S.C.A. § 1641].

### **§ 1704. Authority to issue regulations**

The President may issue such regulations, including regulations prescribing definitions, as may be necessary for the exercise of the authorities granted by this chapter.

**§ 1705. Penalties**

(a) A civil penalty of not to exceed \$50,000 may be imposed on any person who violates, or attempts to violate, any license, order, or regulation issued under this chapter.

(b) Whoever willfully violates, or willfully attempts to violate, any license, order, or regulation issued under this chapter shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than twenty years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

**§ 1706. Savings provisions**

(a) Termination of national emergencies pursuant to National Emergencies Act

(1) Except as provided in subsection (b) of this section, notwithstanding the termination pursuant to the National Emergencies Act [50 U.S.C.A. § 1601 et seq.] of a national emergency declared for purposes of this chapter, any authorities granted by this chapter, which are exercised on the date of such termination on the basis of such national emergency to prohibit transactions involving property in which a foreign country or national thereof has any interest, may continue to be so exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(2) Notwithstanding the termination of the authorities described in section 101(b) of this Act, any such authorities, which are exercised with respect to a country on the date of such termination to prohibit transactions involving any property in which such country or any national thereof has any interest, may continue to be exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(b) Congressional termination of national emergencies by concurrent resolution

The authorities described in subsection (a)(1) of this section may not continue to be exercised under this section if the national emergency is terminated by the Congress by concurrent resolution pursuant to section 202 of the National Emergencies Act [50 U.S.C.A § 1622] and if the Congress specifies in such concurrent resolution that such authorities may not continue to be exercised under this section.

(c) Supplemental savings provisions; supersedure of inconsistent provisions

(1) The provisions of this section are supplemental to the savings provisions of paragraphs (1), (2), and (3) of section 101(a) [50 U.S.C.A. § 1601(a)(1), (2), (3)] and of paragraphs (A), (B), and (C) of section 202(a) [50 U.S.C.A. § 1622(a)(A), (B), and (C)] of the National Emergencies Act.

(2) The provisions of this section supersede the termination provisions of section 101(a) [50 U.S.C.A. § 1601(a)] and of title II [50 U.S.C.A. § 1621 et seq.] of the National

Emergencies Act to the extent that the provisions of this section are inconsistent with these provisions.

(d) Periodic reports to Congress

If the President uses the authority of this section to continue prohibitions on transactions involving foreign property interests, he shall report to the Congress every six months on the use of such authority.

# federal register

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Tuesday  
October 24, 1995

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## Part III

### The President

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**Executive Order 12978—Blocking Assets  
and Prohibiting Transactions With  
Significant Narcotics Traffickers**

Federal Register

Vol. 60, No. 205

Tuesday, October 24, 1995

**Presidential Documents**

Title 3—

Executive Order 12978 of October 21, 1995

The President

**Blocking Assets and Prohibiting Transactions With Significant Narcotics Traffickers**

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code,

I, WILLIAM J. CLINTON, President of the United States of America, find that the actions of significant foreign narcotics traffickers centered in Colombia, and the unparalleled violence, corruption, and harm that they cause in the United States and abroad, constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

**Section 1.** Except to the extent provided in section 203(b) of IEEPA (50 U.S.C. 1702(b)) and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, I hereby order blocked all property and interests in property that are or hereafter come within the United States, or that are or hereafter come within the possession or control of United States persons, of:

- (a) the foreign persons listed in the Annex to this order;
- (b) foreign persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State:
  - (i) to play a significant role in international narcotics trafficking centered in Colombia; or
  - (ii) materially to assist in, or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities of persons designated in or pursuant to this order; and
- (c) persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to this order.

**Sec. 2.** Further, except to the extent provided in section 203(b) of IEEPA and in regulations, orders, directives, or licenses that may be issued pursuant to this order, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, I hereby prohibit the following:

- (a) any transaction or dealing by United States persons or within the United States in property or interests in property of the persons designated in or pursuant to this order;
- (b) any transaction by any United States person or within the United States that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in this order.

**Sec. 3.** For the purposes of this order:

- (a) the term “person” means an individual or entity;
- (b) the term “entity” means a partnership, association, corporation, or other organization, group or subgroup;

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(c) the term “United States person” means any United States citizen or national, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person in the United States:

(d) the term “foreign person” means any citizen or national of a foreign state (including any such individual who is also a citizen or national of the United States) or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state; and

(e) the term “narcotics trafficking” means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to, narcotic drugs, including, but not limited to, cocaine.

**Sec. 4.** The Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to carry out this order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the United States Government. All agencies of the United States Government are hereby directed to take all appropriate measures within their authority to carry out this order.

**Sec. 5.** Nothing contained in this order shall create any right or benefit, substantive or procedural, enforceable by any party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

**Sec. 6.** (a) This order is effective at 12:01 a.m. Eastern Daylight Time on October 22, 1995.

(b) This order shall be transmitted to the Congress and published in the **Federal Register**.



THE WHITE HOUSE,  
October 21, 1995.

Billing code 3195-01-P

ANNEX  
Gilberto Rodriguez Orejuela  
Miguel Angel Rodriguez Orejuela  
José Santacruz Londoño  
Helmer Herrera Buitrago

[FR Doc. 95-26569  
Filed 10-23-95; 11:21 am]  
Billing code 4810-31-P

## “Code of Federal Regulations- Title 31, Part 536”

### Office of Foreign Assets Control, Treasury

Pt. 536

name of a non-Iranian bank located in a foreign country, provided such non-Iranian foreign bank is not a person subject to the jurisdiction of the United States.

#### § 535.902 Set-offs by U.S. owned or controlled firms abroad.

(a) Branches and subsidiaries in foreign countries of persons subject to the jurisdiction of the United States are licensed to set-off their claims against Iran or Iranian entities by debit to blocked accounts held by them for Iran or Iranian entities.

(b) The general license in paragraph (a) of this section is revoked as of January 19, 1981.

(c) For purposes of this section, set-offs include combinations of accounts and any similar actions.

(Secs. 201–207, 91 Stat. 1626, 50 U.S.C. 1701–1706; E.O. 12170, 44 FR 65729; E.O. 12205, 45 FR 24099; E.O. 12211, 45 FR 26685; E.O. 12276, 46 FR 7913; E.O. 12279, 46 FR 7919; E.O. 12280, 46 FR 7921; E.O. 12281, 46 FR 7923; E.O. 12282, 46 FR 7925; E.O. 12283, 46 FR 7927, and E.O. 12294, 46 FR 14111)

[46 FR 14337, Feb. 26, 1981]

#### § 535.904 Payment by Iranian entities of obligations to persons within the United States.

The transfer of funds after the effective date by, through or to any U.S. banking institution or other person within the United States solely for purposes of payment of obligations by Iranian entities owed to persons within the United States is authorized: *Provided*, That there is no debit to a blocked account. Property is not blocked by virtue of being transferred or received pursuant to this section.

[44 FR 66591, Nov. 20, 1979]

#### § 535.905 Paperwork Reduction Act notice.

For approval by the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act of information collections relating to record-keeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection

of information unless it displays a valid control number assigned by OMB.

[62 FR 45107, Aug. 25, 1997]

### PART 536—NARCOTICS TRAFFICKING SANCTIONS REGULATIONS

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Sec.

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**§ 536.100****Subpart E—Licenses, Authorizations, and Statements of Licensing Policy**

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- 536.901 Paperwork Reduction Act notice.

AUTHORITY: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1641, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); E.O. 12978, 60 FR 54579; 3 CFR, 1995 Comp., p. 415; E.O. 13224, 66 FR 49079; 3 CFR, 2001 Comp., p. 786; E.O. 13286, 68 FR 10619, March 5, 2003; Pub. L. 109-177, 120 Stat. 192.

SOURCE: 62 FR 9960, Mar. 5, 1997, unless otherwise noted.

**Subpart A—Relation of This Part to Other Laws and Regulations****§ 536.100 Licensing procedures.**

For provisions relating to licensing procedures, see part 501, subpart E, of this chapter. Licensing actions taken pursuant to part 501 of this chapter with respect to the prohibitions contained in this part are considered actions taken pursuant to this part.

[68 FR 53657, Sept. 11, 2003]

**31 CFR Ch. V (7-1-06 Edition)****§ 536.101 Relation of this part to other laws and regulations.**

(a) This part is separate from, and independent of, the other parts of this chapter with the exception of part 501 of this chapter, the recordkeeping and reporting requirements and license application and other procedures of which apply to this part. Differing foreign policy and national security contexts may result in differing interpretations of similar language among the parts of this chapter. No license or authorization contained in or issued pursuant to those other parts authorizes any transaction prohibited by this part. No license or authorization contained in or issued pursuant to any other provision of law or regulation authorizes any transaction prohibited by this part.

(b) No license or authorization contained in or issued pursuant to this part relieves the involved parties from complying with any other applicable laws or regulations.

[62 FR 9960, Mar. 5, 1997, as amended at 62 FR 45107, Aug. 25, 1997]

**Subpart B—Prohibitions****§ 536.201 Prohibited transactions involving blocked property.**

(a) Except as authorized by regulations, orders, directives, rulings, instructions, licenses, or otherwise, and notwithstanding any contract entered into or any license or permit granted prior to the effective date, no property or interests in property of a specially designated narcotics trafficker that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of U.S. persons, including their overseas branches, may be transferred, paid, exported, withdrawn or otherwise dealt in.

(b) When a transaction results in the blocking of funds at a financial institution pursuant to this section and a party to the transaction believes the funds have been blocked due to mistaken identity, that party may seek to have such funds unblocked pursuant to the administrative procedures set forth in § 501.806 of this chapter.

[62 FR 9960, Mar. 5, 1997, as amended at 62 FR 45107, Aug. 25, 1997]

## Office of Foreign Assets Control, Treasury

## § 536.203

**§ 536.202 Effect of transfers violating the provisions of this part.**

(a) Any transfer after the effective date, which is in violation of any provision of this part or of any regulation, order, directive, ruling, instruction, license, or other authorization hereunder and involves any property held in the name of a specially designated narcotics trafficker or in which a specially designated narcotics trafficker has or has had an interest since such date, is null and void and shall not be the basis for the assertion or recognition of any interest in or right, remedy, power or privilege with respect to such property.

(b) No transfer before the effective date shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or interest in, any property held in the name of a specially designated narcotics trafficker or in which a specially designated narcotics trafficker has an interest, or has had an interest since such date, unless the person with whom such property is held or maintained, prior to such date, had written notice of the transfer or by any written evidence had recognized such transfer.

(c) Unless otherwise provided, an appropriate license or other authorization issued by or pursuant to the direction or authorization of the Director of the Office of Foreign Assets Control before, during, or after a transfer shall validate such transfer or render it enforceable to the same extent that it would be valid or enforceable but for the provisions of the International Emergency Economic Powers Act, this part, and any regulation, order, directive, ruling, instruction, or license issued hereunder.

(d) Transfers of property which otherwise would be null and void or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void or unenforceable as to any person with whom such property was held or maintained (and as to such person only) in cases in which such person is able to establish to the satisfaction of the Director of the Office of Foreign Assets Control each of the following:

(1) Such transfer did not represent a willful violation of the provisions of

this part by the person with whom such property was held or maintained;

(2) The person with whom such property was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization by or pursuant to this part and was not so licensed or authorized, or if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation of a third party or the withholding of material facts or was otherwise fraudulently obtained; and

(3) The person with whom such property was held or maintained filed with the Office of Foreign Assets Control a report setting forth in full the circumstances relating to such transfer promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license, or other direction or authorization hereunder; or

(ii) Such transfer was not licensed or authorized by the Director of the Office of Foreign Assets Control; or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation of a third party or the withholding of material facts or was otherwise fraudulently obtained.

NOTE TO PARAGRAPH (d)(3): The filing of a report in accordance with the provisions of this paragraph (d)(3) shall not be deemed evidence that the terms of paragraphs (d)(1) and (2) of this section have been satisfied.

(e) Unless licensed or authorized pursuant to this part, any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property which, on or since the effective date, was held in the name of a specially designated narcotics trafficker or in which there existed an interest of a specially designated narcotics trafficker.

**§ 536.203 Holding of certain types of blocked property in interest-bearing accounts.**

(a)(1) Any person, including a U.S. financial institution, currently holding

**§ 536.204**

property subject to § 536.201 which, as of the effective date or the date of receipt if subsequent to the effective date, is not being held in an interest-bearing account, or otherwise invested in a manner authorized by the Office of Foreign Assets Control (*e.g.*, § 536.504), shall transfer such property to, or hold such property or cause such property to be held in, an interest-bearing account or interest-bearing status in a U.S. financial institution as of the effective date or the date of receipt if subsequent to the effective date of this section, unless otherwise authorized or directed by the Office of Foreign Assets Control.

(2) The requirement set forth in paragraph (a)(1) of this section shall apply to currency, bank deposits, accounts, obligations, and any other financial or economic resources or assets, and any proceeds resulting from the sale of tangible or intangible property. If interest is credited to an account separate from that in which the interest-bearing asset is held, the name of the account party on both accounts must be the same and must clearly indicate the specially designated narcotics trafficker having an interest in the accounts. If the account is held in the name of a specially designated narcotics trafficker, the name of the account to which interest is credited must be the same.

(b) For purposes of this section, the term *interest-bearing account* means a blocked account in a U.S. financial institution earning interest at rates that are commercially reasonable for the amount of funds in the account. Except as otherwise authorized, the funds may not be invested or held in instruments the maturity of which exceeds 90 days.

(c) This section does not apply to blocked tangible property, such as chattels, nor does it create an affirmative obligation on the part of the holder of such blocked tangible property to sell or liquidate the property and put the proceeds in a blocked account. However, the Office of Foreign Assets Control may issue licenses permitting or directing sales of tangible property in appropriate cases.

**31 CFR Ch. V (7-1-06 Edition)****§ 536.204 Evasions; attempts; conspiracies.**

Any transaction for the purpose of, or which has the effect of, evading or avoiding, or which facilitates the evasion or avoidance of, any of the prohibitions set forth in this part, is hereby prohibited. Any attempt to violate the prohibitions set forth in this part is hereby prohibited. Any conspiracy formed for the purpose of engaging in a transaction prohibited by this part is hereby prohibited.

**§ 536.205 Exempt transactions.**

(a) *Personal communications.* The prohibitions contained in this part do not apply to any postal, telegraphic, telephonic, or other personal communication, which does not involve the transfer of anything of value.

(b) *Information and informational materials.* (1) The importation from any country and the exportation to any country of information or informational materials as defined in § 536.306, whether commercial or otherwise, regardless of format or medium of transmission, are exempt from the prohibitions and regulations of this part.

(2) This section does not authorize transactions related to information and informational materials not fully created and in existence at the date of the transactions, or to the substantive or artistic alteration or enhancement of informational materials, or to the provision of marketing and business consulting services by a U.S. person. Such prohibited transactions include, without limitation, payment of advances for informational materials not yet created and completed, provision of services to market, produce or coproduce, create or assist in the creation of information and informational materials, and payment of royalties to a specially designated narcotics trafficker with respect to income received for enhancements or alterations made by U.S. persons to information or informational materials imported from a specially designated narcotics trafficker.

(3) This section does not authorize transactions incident to the exportation of technology that is not informational material as defined in

**Office of Foreign Assets Control, Treasury****§ 536.308**

§ 536.306(b)(1) or incident to the exportation of goods for use in the transmission of any information.

(c) *Travel*. The prohibitions contained in this part do not apply to transactions ordinarily incident to travel to or from any country, including importation of accompanied baggage for personal use, maintenance within any country including payment of living expenses and acquisition of goods or services for personal use, and arrangement or facilitation of such travel including non-scheduled air, sea, or land voyages. Any transactions entered into by a specially designated narcotics trafficker while traveling in the United States that are outside the scope of those set forth in this paragraph are in violation of § 536.201.

**Subpart C—General Definitions****§ 536.301 Blocked account; blocked property.**

The terms *blocked account* and *blocked property* shall mean any account or property subject to the prohibition in § 536.201 held in the name of a specially designated narcotics trafficker or in which a specially designated narcotics trafficker has an interest, and with respect to which payments, transfers, exportations, withdrawals, or other dealings may not be made or effected except pursuant to an authorization or license from the Office of Foreign Assets Control authorizing such action.

**§ 536.302 Effective date.**

The term *effective date* refers to the effective date of the applicable prohibitions and directives contained in this part which is 12:01 a.m. EDT, October 22, 1995, or, in the case of specially designated narcotics traffickers designated after that date, the earlier of the date on which a person receives actual or constructive notice of such designation.

**§ 536.303 Entity.**

The term *entity* means a partnership, association, corporation, or other organization, group or subgroup.

**§ 536.304 Foreign person.**

The term *foreign person* means any citizen or national of a foreign state

(including any such individual who is also a citizen or national of the United States), or any entity not organized solely under the laws of the United States or existing solely in the United States, but does not include a foreign state.

**§ 536.305 General license.**

The term *general license* means any license or authorization the terms of which are set forth in this part.

**§ 536.306 Information and informational materials.**

(a) For purposes of this part, the term *information and informational materials* means:

(1) Publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, compact disks, CD ROMs, artworks, and news wire feeds, and other information and informational articles.

(2) To be considered informational materials, artworks must be classified under chapter subheading 9701, 9702, or 9703 of the Harmonized Tariff Schedule of the United States.

(b) The terms *information* and *informational materials* with respect to U.S. exports do not include items:

(1) That were, as of April 30, 1994, or that thereafter become, controlled for export pursuant to section 5 of the Export Administration Act of 1979, 50 U.S.C. App. 2401–2420 (the “EAA”), or section 6 of the EAA to the extent that such controls promote nonproliferation or antiterrorism policies of the United States, including *software* as defined in 15 CFR part 772 that is not *publicly available* (see 15 CFR parts 734 and 772); or

(2) With respect to which acts are prohibited by 18 U.S.C. chapter 37.

**§ 536.307 Interest.**

Except as otherwise provided in this part, the term *interest* when used with respect to property (*e.g.*, “an interest in property”) means an interest of any nature whatsoever, direct or indirect.

**§ 536.308 License.**

Except as otherwise specified, the term *license* means any license or authorization contained in or issued pursuant to this part.

**§ 536.309****§ 536.309 Person.**

The term *person* means an individual or entity.

**§ 536.310 Property; property interest.**

The terms *property* and *property interest* include, but are not limited to, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness, obligations, notes, guarantees, debentures, stocks, bonds, coupons, any other financial instruments, bankers acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership or indebtedness, letters of credit and any documents relating to any rights or obligations thereunder, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors sales agreements, land contracts, leaseholds, ground rents, real estate and any other interest therein, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, services of any nature whatsoever, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future or contingent.

**§ 536.311 Narcotics trafficking.**

The term *narcotics trafficking* means any activity undertaken illicitly to cultivate, produce, manufacture, distribute, sell, finance or transport, or otherwise assist, abet, conspire, or collude with others in illicit activities relating to narcotic drugs, including, but not limited to, cocaine.

**§ 536.312 Specially designated narcotics trafficker.**

The term *specially designated narcotics trafficker* means:

(a) Persons listed in the annex to Executive Order 12978 (3 CFR, 1995 Comp., p.415);

(b) Foreign persons designated by the Secretary of Treasury, in consultation

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with the Attorney General and the Secretary of State, because they are found:

(1) To play a significant role in international narcotics trafficking centered in Colombia; or

(2) Materially to assist in, or provide financial or technological support for or goods or services in support of, the narcotics trafficking activities of specially designated narcotics traffickers; and

(c) Persons determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to be owned or controlled by, or to act for or on behalf of, any other specially designated narcotics trafficker.

NOTE TO § 536.312: Please refer to the appendices at the end of this chapter for listings of persons determined to fall within this definition who have been designated pursuant to this part. Section 501.807 of this chapter sets forth the procedures to be followed by persons seeking administrative reconsideration of their designation, or who wish to assert that the circumstances resulting in the designation are no longer applicable.

[62 FR 9960, Mar. 5, 1997, as amended at 62 FR 45107, Aug. 25, 1997]

**§ 536.313 Specific license.**

The term *specific license* means any license or authorization not set forth in this part but issued pursuant to this part.

**§ 536.314 Transfer.**

The term *transfer* means any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, convey, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect to any property and, without limitation upon the foregoing, shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of trust, power of attorney, power of appointment, bill of sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the making of any payment; the setting off

**Office of Foreign Assets Control, Treasury****§ 536.403**

of any obligation or credit; the appointment of any agent, trustee, or fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or levy of or under any judgment, decree, attachment, injunction, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition; the exercise of any power of appointment, power of attorney, or other power; or the acquisition, disposition, transportation, importation, exportation, or withdrawal of any security.

**§ 536.315 United States.**

The term *United States* means the United States, its territories and possessions, and all areas under the jurisdiction or authority thereof.

**§ 536.316 United States person; U.S. person.**

The term *United States person* or *U.S. person* means any United States citizen or national; permanent resident alien; entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches); or any person in the United States.

**§ 536.317 U.S. financial institution.**

The term *U.S. financial institution* means any U.S. person (including foreign branches) that is engaged in the business of accepting deposits, making, granting, transferring, holding, or brokering loans or credits, or purchasing or selling foreign exchange, securities, commodity futures or options, or procuring purchasers and sellers thereof, as principal or agent; including, but not limited to, depository institutions, banks, savings banks, trust companies, securities brokers and dealers, commodity futures and options brokers and dealers, forward contract and foreign exchange merchants, securities and commodities exchanges, clearing corporations, investment companies, employee benefit plans, and U.S. holding companies, U.S. affiliates, or U.S. subsidiaries of any of the foregoing. This term includes those branches, offices and agencies of for-

eign financial institutions which are located in the United States, but not such institutions' foreign branches, offices, or agencies.

**Subpart D—Interpretations****§ 536.401 Reference to amended sections.**

Except as otherwise specified, reference to any section of this part or to any regulation, ruling, order, instruction, direction, or license issued pursuant to this part shall be deemed to refer to the same as currently amended.

**§ 536.402 Effect of amendment.**

Any amendment, modification, or revocation of any section of this part or of any order, regulation, ruling, instruction, or license issued by or under the direction of the Director of the Office of Foreign Assets Control shall not, unless otherwise specifically provided, be deemed to affect any act done or omitted to be done, or any civil or criminal suit or proceeding commenced or pending prior to such amendment, modification, or revocation. All penalties, forfeitures, and liabilities under any such order, regulation, ruling, instruction, or license shall continue and may be enforced as if such amendment, modification, or revocation had not been made.

**§ 536.403 Termination and acquisition of an interest in blocked property.**

(a) Whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a specially designated narcotics trafficker, such property shall no longer be deemed to be property in which a specially designated narcotics trafficker has or has had an interest, or which is held in the name of a specially designated narcotics trafficker, unless there exists in the property another interest of a specially designated narcotics trafficker, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization issued pursuant to this part, if property (including any property interest)

**§ 536.404**

is transferred or attempted to be transferred to a specially designated narcotics trafficker, such property shall be deemed to be property in which there exists an interest of the specially designated narcotics trafficker.

**§ 536.404 Setoffs prohibited.**

A setoff against blocked property (including a blocked account), whether by a U.S. bank or other U.S. person, is a prohibited transfer under § 536.201 if effected after the effective date.

**§ 536.405 Transactions incidental to a licensed transaction.**

Any transaction ordinarily incident to a licensed transaction and necessary to give effect thereto is also authorized, except a transaction by an unlicensed, specially designated narcotics trafficker or involving a debit to a blocked account or a transfer of blocked property not explicitly authorized within the terms of the license.

**§ 536.406 Provision of services.**

(a) Except as provided in § 536.205, the prohibitions contained in § 536.201 apply to services performed by U.S. persons, wherever located:

(1) On behalf of, or for the benefit of, a specially designated narcotics trafficker; or

(2) With respect to property interests of a specially designated narcotics trafficker.

(b) *Example:* U.S. persons may not, except as authorized by the Office of Foreign Assets Control by or pursuant to this part, provide legal, accounting, financial, brokering, freight forwarding, transportation, public relations, educational, or other services to a specially designated narcotics trafficker. See § 536.506, with respect to certain authorized legal services.

**§ 536.407 Offshore transactions.**

The prohibitions contained in § 536.201 apply to transactions by U.S. persons in locations outside the United States with respect to property which the U.S. person knows, or has reason to know, is held in the name of a specially designated narcotics trafficker, or in which the U.S. person knows, or has reason to know, a specially designated

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narcotics trafficker has or has had an interest since the effective date.

**§ 536.408 Alleged change in ownership or control of an entity designated as a specially designated narcotics trafficker.**

(a) A change or alleged change in ownership or control of an entity designated as a specially designated narcotics trafficker shall not be the basis for removal of that entity from the list of specially designated narcotics traffickers unless, upon investigation by the Office of Foreign Assets Control and submission of evidence by the entity, it is demonstrated to the satisfaction of the Director of the Office of Foreign Assets Control that the transfer to a bona fide purchaser at arm's length is legitimate and that the entity no longer meets the criteria for designation under § 536.312. Evidence submitted must conclusively demonstrate that all ties with other specially designated narcotics traffickers have been completely severed, and may include, but is not limited to, articles of incorporation; identification of new directors, officers, shareholders, and sources of capital; and contracts evidencing the sale of the entity to its new owners.

(b) Any continuing substantial financial obligations on the part of the new owners to any specially designated narcotics traffickers, including long-term payment plans, leases, or rents, will be considered as evidence of continuing control of the entity by the specially designated narcotics trafficker. Purchase of a designated entity without ongoing substantial financial obligations to a specially designated narcotics trafficker may nonetheless be a basis for subsequent designation of the purchaser, if the transaction is determined materially to assist in or provide financial support for the narcotics trafficking activities of specially designated narcotics traffickers for purposes of § 536.312(b)(2). For example, any acquisition transaction resulting in a direct cash transfer to or other enrichment of a specially designated narcotics trafficker could lead to designation of the purchaser. Mere change in name of an entity will not be considered as constituting a change of the entity's status.

**Office of Foreign Assets Control, Treasury****§ 536.504****§ 536.409 Credit extended and cards issued by U.S. financial institutions.**

The prohibition in § 536.201 on dealing in property in which a specially designated narcotics trafficker has an interest prohibits U.S. financial institutions from performing under any existing credit agreements, including, but not limited to, charge cards, debit cards, or other credit facilities issued by a U.S. financial institution to a person designated under this part.

**Subpart E—Licenses, Authorizations, and Statements of Licensing Policy****§ 536.501 Effect of license or authorization.**

(a) No license or other authorization contained in this part, or otherwise issued by or under the direction of the Director of the Office of Foreign Assets Control, shall be deemed to authorize or validate any transaction effected prior to the issuance of the license, unless specifically provided in such license or authorization.

(b) No regulation, ruling, instruction, or license authorizes any transaction prohibited under this part unless the regulation, ruling, instruction, or license is issued by the Office of Foreign Assets Control and specifically refers to this part. No regulation, ruling, instruction, or license referring to this part shall be deemed to authorize any transaction prohibited by any provision of this chapter unless the regulation, ruling, instruction or license specifically refers to such provision.

(c) Any regulation, ruling, instruction, or license authorizing any transaction otherwise prohibited under this part has the effect of removing a prohibition or prohibitions contained in this part from the transaction, but only to the extent specifically stated by its terms. Unless the regulation, ruling, instruction, or license otherwise specifies, such an authorization does not create any right, duty, obligation, claim, or interest in, or with respect to, any property which would not otherwise exist under ordinary principles of law.

**§ 536.502 Exclusion from licenses and authorizations.**

The Director of the Office of Foreign Assets Control reserves the right to exclude any person, property, or transaction from the operation of any license, or from the privileges therein conferred, or to restrict the applicability thereof with respect to particular persons, property, transactions, or classes thereof. Such action shall be binding upon all persons receiving actual or constructive notice of such exclusion or restriction.

**§ 536.503 Payments and transfers to blocked accounts in U.S. financial institutions.**

(a) Any payment of funds or transfer of credit or other financial or economic resources or assets into a blocked account in a U.S. financial institution is authorized, provided that a transfer from a blocked account pursuant to this authorization may only be made to another blocked account held in the same name on the books of the same U.S. financial institution.

(b) This section does not authorize any transfer from a blocked account within the United States to an account held outside the United States.

NOTE TO § 536.503: Please refer to § 501.603 of this chapter for mandatory reporting requirements regarding financial transfers.

[62 FR 9960, Mar. 5, 1997, as amended at 62 FR 45107, Aug. 25, 1997]

**§ 536.504 Investment and reinvestment of certain funds.**

(a) U.S. financial institutions are hereby authorized and directed to invest and reinvest assets held in blocked accounts in the name of a specially designated narcotics trafficker, subject to the following conditions:

(1) The assets representing such investments and reinvestments are credited to a blocked account or sub-account which is in the name of the specially designated narcotics trafficker and which is located in the United States or within the possession or control of a U.S. person; and

(2) The proceeds of such investments and reinvestments are not credited to a blocked account or sub-account under any name or designation which differs from the name or designation of the

**§ 536.505**

specific blocked account or sub-account in which such funds or securities were held; and

(3) No immediate financial or economic benefit or access accrues (*e.g.*, through pledging or other use) to the specially designated narcotics trafficker.

(b)(1) U.S. persons seeking to avail themselves of this authorization must register with the Office of Foreign Assets Control, Blocked Assets Division, before undertaking transactions authorized under this section.

(2) Transactions conducted pursuant to this section must be reported to the Office of Foreign Assets Control, Blocked Assets Division, in a report filed no later than 10 business days following the last business day of the month in which the transactions occurred.

**§ 536.505 Entries in certain accounts for normal service charges authorized.**

(a) U.S. financial institutions are hereby authorized to debit any blocked account with such U.S. financial institution in payment or reimbursement for normal service charges owed to such U.S. financial institution by the owner of such blocked account.

(b) As used in this section, the term *normal service charge* shall include charges in payment or reimbursement for interest due; cable, telegraph, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, notary and protest fees, and charges for reference books, photostats, credit reports, transcripts of statements, registered mail, insurance, stationery and supplies, check books, and other similar items.

**§ 536.506 Provision of certain legal services authorized.**

(a) The provision to or on behalf of a specially designated narcotics trafficker of the legal services set forth in paragraph (b) of this section is authorized, provided that all receipt of payment therefor must be specifically licensed.

(b) Specific licenses may be issued, on a case-by-case basis, authorizing re-

**31 CFR Ch. V (7-1-06 Edition)**

ceipt of payment of professional fees and reimbursement of incurred expenses for the following legal services by U.S. persons to a specially designated narcotics trafficker:

(1) Provision of legal advice and counseling on the requirements of and compliance with the laws of any jurisdiction within the United States, provided that such advice and counseling is not provided to facilitate transactions that would violate any of the prohibitions contained in this part;

(2) Representation of a specially designated narcotics trafficker when named as a defendant in or otherwise made a party to domestic United States legal, arbitration, or administrative proceedings;

(3) Initiation of domestic United States legal, arbitration, or administrative proceedings in defense of property interests subject to U.S. jurisdiction of a specially designated narcotics trafficker;

(4) Representation before any federal or state agency with respect to the imposition, administration, or enforcement of United States sanctions against significant narcotics traffickers centered in Colombia or specially designated narcotics traffickers; and

(5) Provision of legal services in any other context in which prevailing United States law requires access to legal counsel at public expense.

(c) The provision of any other legal services to a specially designated narcotics trafficker, not otherwise authorized in or exempted by this part, requires the issuance of a specific license.

(d) Entry into a settlement agreement affecting property or interests in property of a specially designated narcotics trafficker or the enforcement of any lien, judgment, arbitral award, decree, or other order through execution, garnishment or other judicial process purporting to transfer or otherwise alter or affect a property interest of a specially designated narcotics trafficker is prohibited unless specifically licensed in accordance with § 536.202(e).

**Office of Foreign Assets Control, Treasury****§ 536.703****§ 536.507 Authorization of emergency medical services.**

The provision of nonscheduled emergency medical services to a specially designated narcotics trafficker located in the United States is authorized, provided that any payment for such services requires prior authorization by specific license.

**Subpart F—Reports****§ 536.601 Records and reports.**

For provisions relating to records and reports, see subpart C of part 501 of this chapter.

[62 FR 45107, Aug. 25, 1997]

**Subpart G—Penalties****§ 536.701 Penalties.**

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705—the “Act”), which is applicable to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the Act. Section 206 of the Act, as adjusted pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note), provides that:

(1) A civil penalty of not to exceed \$50,000 per violation may be imposed on any person who violates any license, order, or regulation issued under the Act;

(2) Whoever willfully violates any license, order, or regulation issued under the Act shall, upon conviction, be fined not more than \$50,000, or, if a natural person, may be imprisoned for not more than twenty years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment or both.

(b) The criminal penalties provided in the Act are subject to increase pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdic-

tion of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under title 18, United States Code, or imprisoned not more than five years, or both.

(d) Violations of this part may also be subject to relevant provisions of other applicable laws.

[62 FR 9960, Mar. 5, 1997, as amended at 71 FR 29252, May 22, 2006]

**§ 536.702 Prepenalty notice.**

(a) *When required.* If the Director of the Office of Foreign Assets Control has reasonable cause to believe that there has occurred a violation of any provision of this part or a violation of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under the International Emergency Economic Powers Act, and the Director determines that further proceedings are warranted, he shall issue to the person concerned a notice of his intent to impose a monetary penalty. The prepenalty notice may be issued whether or not another agency has taken any action with respect to this matter.

(b) *Contents—(1) Facts of violation.* The prepenalty notice shall describe the violation, specify the laws and regulations allegedly violated, and state the amount of the proposed monetary penalty.

(2) *Right to respond.* The prepenalty notice also shall inform the respondent of respondent’s right to respond to the notice within 30 days of its mailing as to why a monetary penalty should not be imposed, or, if imposed, why it should be in a lesser amount than proposed.

**§ 536.703 Response to prepenalty notice.**

(a) *Time within which to respond.* The respondent shall have 30 days from the

**§ 536.704**

date of mailing of the prepenalty notice to respond in writing to the Director of the Office of Foreign Assets Control.

(b) *Form and contents of written response.* The written response need not be in any particular form, but shall contain information sufficient to indicate that it is in response to the prepenalty notice. It should respond to the allegations in the prepenalty notice and set forth the reasons why the person believes the penalty should not be imposed or, if imposed, why it should be in a lesser amount than proposed.

(c) *Informal settlement.* In addition or as an alternative to a written response to a prepenalty notice pursuant to this section, the respondent or respondent's representative may contact the Office of Foreign Assets Control as advised in the prepenalty notice to propose the settlement of allegations contained in the prepenalty notice and related matters. In the event of settlement at the prepenalty stage, the prepenalty notice will be withdrawn, the respondent is not required to take a written position on allegations contained in the prepenalty notice, and the Office of Foreign Assets Control will make no final determination as to whether a violation occurred. The amount accepted in settlement of allegations in a prepenalty notice may vary from the civil penalty that might finally be imposed in the event of a formal determination of violation. In the event no settlement is reached, the 30-day period specified in paragraph (a) of this section for written response to the prepenalty notice remains in effect unless additional time is granted by the Office of Foreign Assets Control.

**§ 536.704 Penalty notice.**

(a) *No violation.* If, after considering any written response to the prepenalty notice and any relevant facts, the Director of the Office of Foreign Assets Control determines that there was no violation by the respondent named in the prepenalty notice, the Director promptly shall notify the respondent in writing of that determination and that no monetary penalty will be imposed.

(b) *Violation.* If, after considering any written response to the prepenalty no-

**31 CFR Ch. V (7-1-06 Edition)**

tice and any relevant facts, the Director of the Office of Foreign Assets Control determines that there was a violation by the respondent named in the prepenalty notice, the Director promptly shall issue a written notice of the imposition of the monetary penalty or other available disposition on the respondent.

**§ 536.705 Administrative collection; referral to United States Department of Justice.**

In the event that the respondent does not pay the penalty imposed pursuant to this part or make payment arrangements acceptable to the Director of the Office of Foreign Assets Control within 30 days of the mailing of the written notice of the imposition of the penalty, the matter may be referred for administrative collection measures or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in a Federal district court.

**Subpart H—Procedures****§ 536.801 Procedures.**

For license application procedures and procedures relating to amendments, modifications, or revocations of licenses; administrative decisions; rulemaking; and requests for documents pursuant to the Freedom of Information and Privacy Acts (5 U.S.C. 552 and 552a), see part 501, subpart E, of this chapter.

[62 FR 45107, Aug. 25, 1997, as amended at 68 FR 53657, Sept. 11, 2003]

**§ 536.802 Delegation by the Secretary of the Treasury.**

Any action which the Secretary of the Treasury is authorized to take pursuant to Executive Order 12978 or any further executive orders relating to the national emergency declared in Executive Order 12978 may be taken by the Director of the Office of Foreign Assets Control, or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

[62 FR 9960, Mar. 5, 1997. Redesignated at 62 FR 45108, Aug. 25, 1997]

**Office of Foreign Assets Control, Treasury****Pt. 537****Subpart I—Paperwork Reduction Act****§ 536.901 Paperwork Reduction Act notice.**

For approval by the Office of Management and Budget (“OMB”) under the Paperwork Reduction Act of information collections relating to record-keeping and reporting requirements, to licensing procedures (including those pursuant to statements of licensing policy), and to other procedures, see § 501.901 of this chapter. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

[62 FR 45108, Aug. 25, 1997]

**UNITED STATES CODE**TITLE 18. CRIMES AND CRIMINAL PROCEDURE  
PART II. CRIMINAL PROCEDURE  
CHAPTER 227. SENTENCES  
SUBCHAPTER C. FINES**18 USCS Section 3571****Sec. 3571. Sentence of fine**

(a) In general. A defendant who has been found guilty of an offense may be sentenced to pay a fine.

(b) Fines for individuals. Except as provided in subsection (e) of this section, an individual who has been found guilty of an offense may be fined not more than the greatest of--

- (1) the amount specified in the law setting forth the offense;
- (2) the applicable amount under subsection (d) of this section;
- (3) for a felony, not more than \$ 250,000;
- (4) for a misdemeanor resulting in death, not more than \$ 250,000;
- (5) for a Class A misdemeanor that does not result in death, not more than \$ 100,000;
- (6) for a Class B or C misdemeanor that does not result in death, not more than \$ 5,000; or
- (7) for an infraction, not more than \$ 5,000.

(c) Fines for organizations. Except as provided in subsection (e) of this section, an organization that has been found guilty of an offense may be fined not more than the greatest of--

- (1) the amount specified in the law setting forth the offense;
- (2) the applicable amount under subsection (d) of this section;
- (3) for a felony, not more than \$ 500,000;
- (4) for a misdemeanor resulting in death, not more than \$ 500,000;
- (5) for a Class A misdemeanor that does not result in death, not more than \$ 200,000;
- (6) for a Class B or C misdemeanor that does not result in death, not more than \$ 10,000; and
- (7) for an infraction, not more than \$ 10,000.

(d) Alternative fine based on gain or loss. If any person derives pecuniary gain from the offense, or if the offense results in pecuniary loss to a person other than the defendant, the defendant may be fined not more than the greater of twice the gross gain or twice the gross loss, unless imposition of a fine under this subsection would unduly complicate or prolong the sentencing process.

(e) Special rule for lower fine specified in substantive provision. If a law setting forth an offense specifies no fine or a fine that is lower than the fine otherwise applicable under this section and such law, by specific reference, exempts the offense from the applicability of the fine otherwise applicable under this section, the defendant may not be fined more than the amount specified in the law setting forth the offense.

March 5, 1996      CONTACT: Hamilton Dix

202-622-2960

#### **TREASURY NAMES COLOMBIAN DRUG LORD HOLDINGS**

The Treasury Department today identified 60 businesses and 138 individuals in South America as part of the narcotics trafficking cartel based in Cali, Colombia. This action is part of an ongoing interagency effort to carry out President Clinton's Executive Order 12978 of October 21, 1995, "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers" (the "Order"), which applied economic sanctions against the Cali cartel.

These 198 new names are added to an existing list of four principal individuals, 34 companies, and 46 individuals collectively referred to as "Specially Designated Narcotics Traffickers" or "SDNTs." These 282 SDNTs have been determined by the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to play a significant role in international narcotics trafficking centered in Colombia, or to materially assist in or provide financial or technological support for, or goods or services in support of, persons designated in or pursuant to the Order, or to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order.

Of the 198 new names, All SDNT property and interests in property subject to U.S. jurisdiction are blocked. Doing business with an SDNT is the equivalent to doing business with the drug trafficking cartel, which carries criminal penalties of up to \$500,000 per violation for both corporations and individuals, as well as imprisonment of up to 12 years. Civil penalties of up to \$10,000 per violation may be imposed administratively.

## THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 15, 1997

## STATEMENT BY THE PRESS SECRETARY

Treasury Prohibits Business Dealings with and Freezes Assets of  
78 Companies and Individuals Fronting for the Cali Drug Cartel

The Treasury Department today added to its list of Specially Designated Narcotics Traffickers (SDNTs) the names of 78 businesses and individuals that it has determined are acting as fronts for the Cali cartel -- the largest drug ring in the world and responsible for more than 80 percent of the cocaine that enters the United States. By prohibiting Americans from doing business with SDNTs and freezing their assets found within U.S. jurisdiction, the Treasury action will have a chilling effect on cartel activity by further exposing, isolating, and incapacitating its agents.

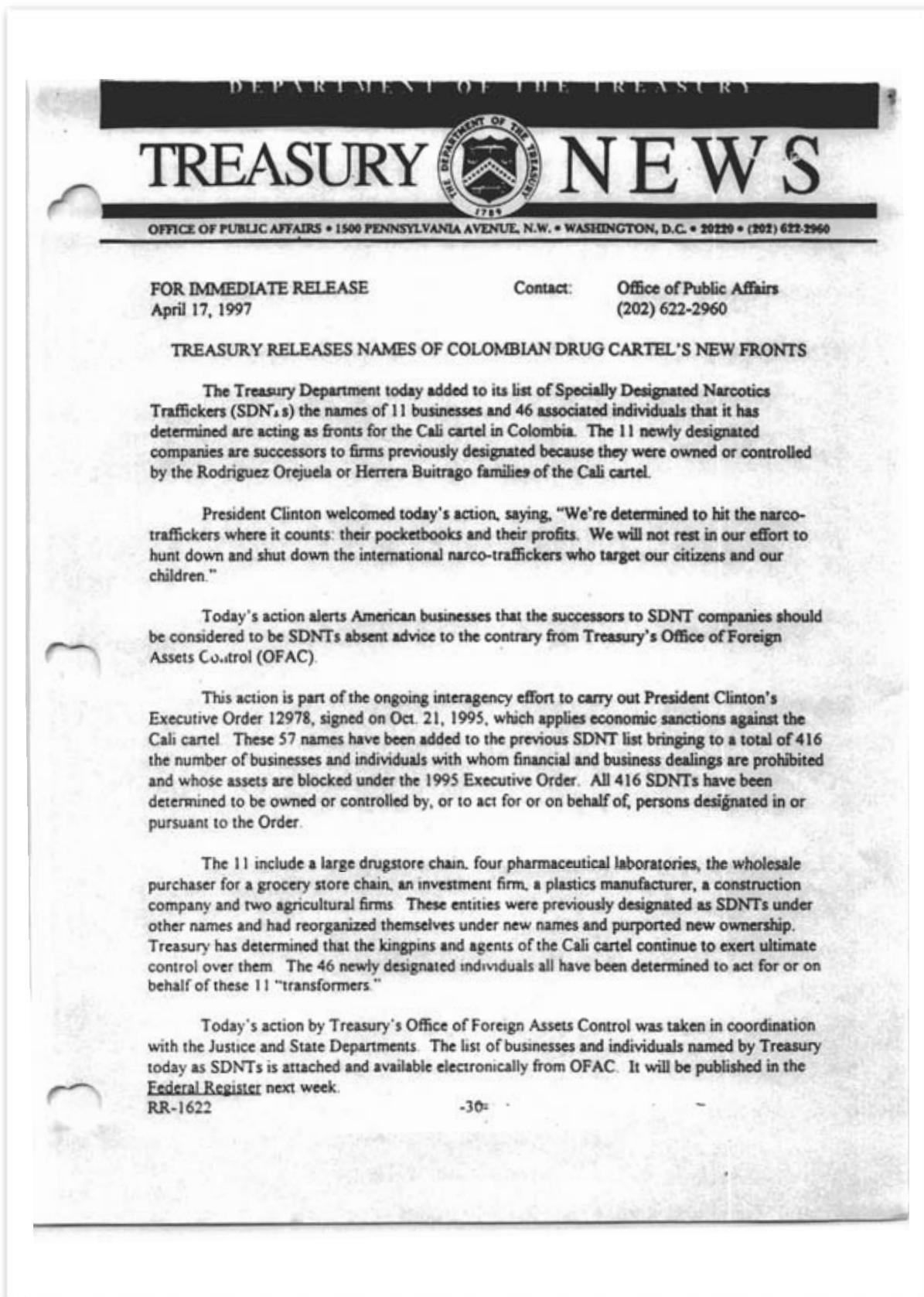
President Clinton praised today's action, which was taken pursuant to an Executive Order the President signed on October 21, 1995, and announced to the 50th United Nations General Assembly the next day. "The Treasury Department's hard work and vigilance in identifying the Cali cartel's front companies and agents is helping cut the economic lifeline of one of the most notorious drug rings in the world."

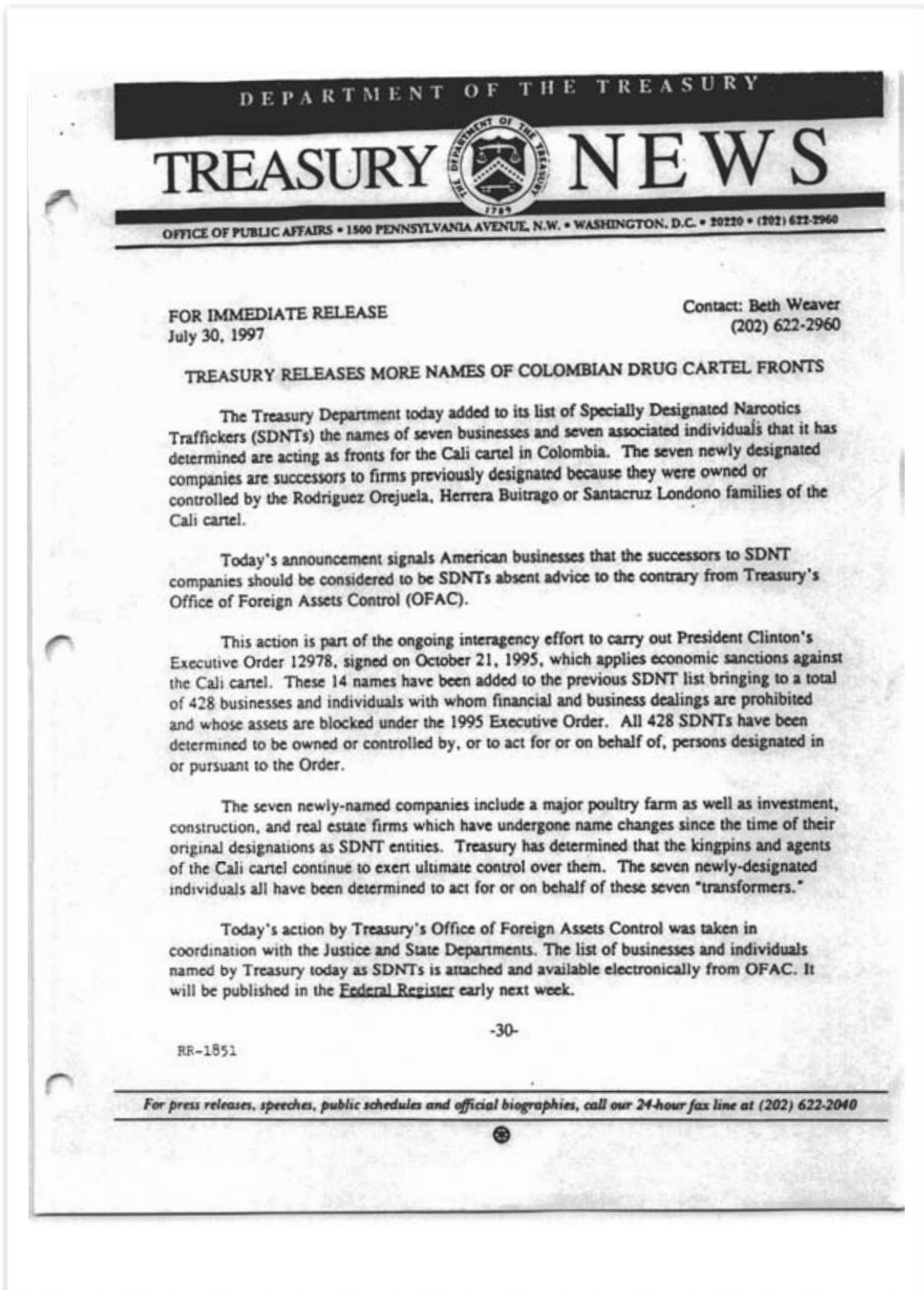
Twenty-one businesses and 57 individuals are affected by today's action -- bringing to a total of 359 the number of businesses and individuals whose assets have been blocked since 1995 under authority of the President's Executive Order.

All 78 of the newly designated SDNTs have been determined to be directly or indirectly involved with Colombian narcotics traffickers, and to be owned or controlled by or to act for or on behalf of the Cali Cartel's "Pacho" Herrera Buitrago organization.

Today's action by the Treasury Department's Office of Foreign Assets Control (OFAC) was taken in coordination with the Justice and State Departments. The list of businesses and individuals named by Treasury as SDNTs will be published in the Federal Register this week and is currently available electronically from OFAC.

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DEPARTMENT OF THE TREASURY

**TREASURY  NEWS**

OFFICE OF PUBLIC AFFAIRS • 1500 PENNSYLVANIA AVENUE, N.W. • WASHINGTON, D.C. • 20220 • (202) 622-2960

FOR IMMEDIATE RELEASE Contact: Beth Weaver  
(202) 622-2960  
May 26, 1998

**TREASURY NAMES FRONTS FOR THE COLOMBIAN DRUG CARTELS**

The Treasury Department announced today it had added the names of fronts for two of Colombia's leading drug traffickers to the department's list of Specially Designated Narcotics Traffickers (SDNT), a list designed to apply economic sanctions against the Colombian cartels. This represents the first expansion of Treasury's SDNT list to reach beyond the Cali cartel.

The names of one of the leaders of Colombia's North Coast cartel, Julio Cesar Nasser David, and 14 businesses and 4 associated individuals that Treasury has determined are acting as fronts for the North Coast cartel's Julio Cesar Nasser David organization were added to the SDNT list. The Treasury Department also named 7 businesses and one individual that it has determined are acting as fronts for the Cali cartel.

"Today's action against the fronts of the Colombian narcotraffickers sends a clear message that corporate sleight-of-hand will not enable the cartels' businesses to escape U.S. sanctions," said Treasury Under Secretary for Enforcement Raymond W. Kelly.

Treasury's Office of Foreign Assets Control has now begun identifying companies owned or controlled by other Colombian drug cartels, in addition to the Cali cartel, in order to further expose, isolate, and incapacitate the Colombian drug cartels and their agents by prohibiting Americans from doing business with SDNTs and freezing their assets found within U.S. jurisdiction.

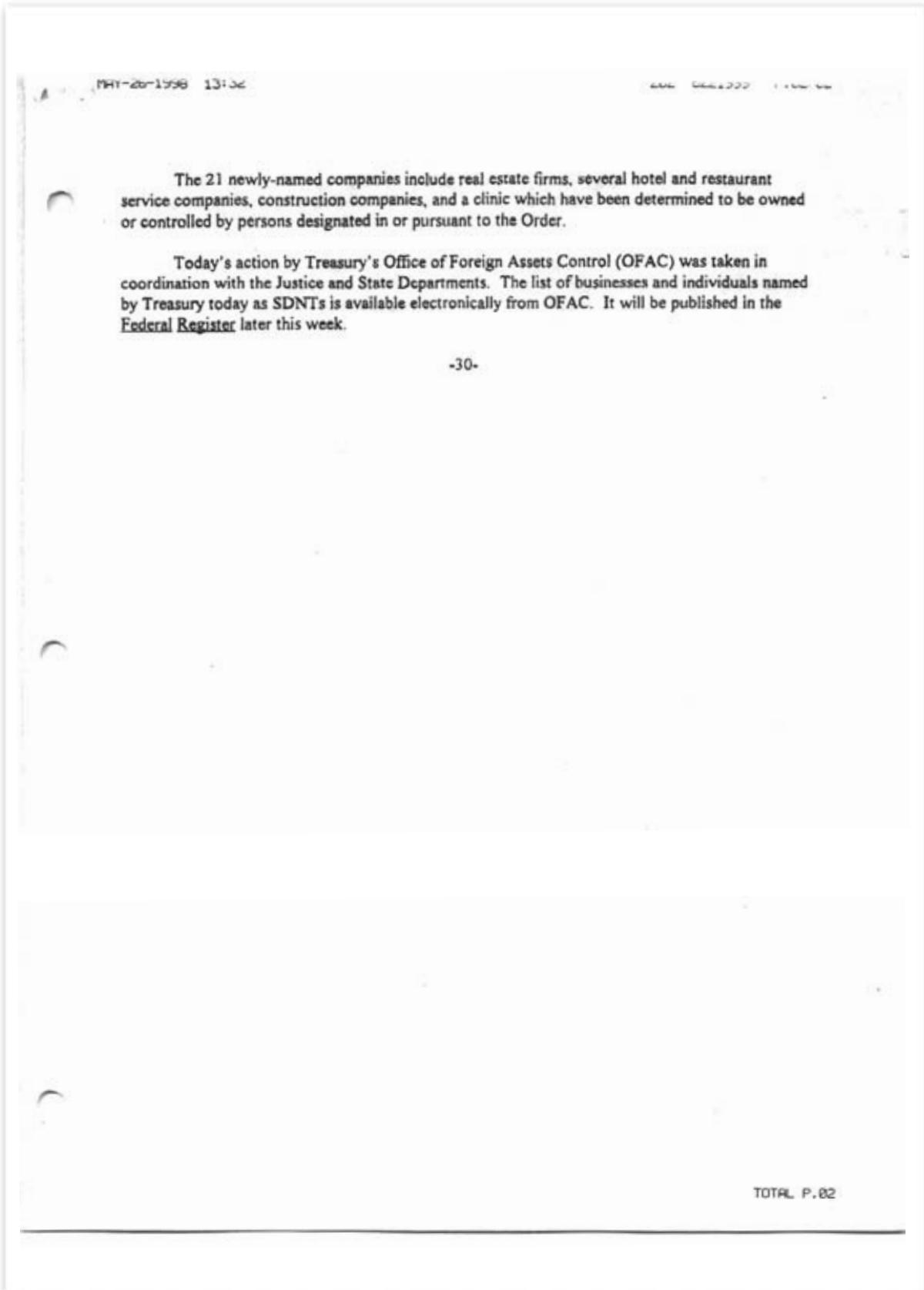
This action is part of the ongoing interagency effort to carry out President's Clinton's Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. The 27 names released today have been added to the previous SDNT list, bringing to a total of 451 the number of businesses and individuals with whom financial and business dealings are prohibited and whose assets are blocked under the 1995 Executive Order. The list of 451 SDNTs includes the four Cali cartel drug kingpins named in the Executive Order, the significant North Coast narcotics trafficker, Julio Cesar Nasser David, and 446 other SDNTs that have been determined to be owned or controlled by, or to act for or on behalf of persons designated in or pursuant to the Order.

RR-2475

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*For press releases, speeches, public schedules and official biographies, call our 24-hour fax line at (202) 622-2040*

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PRESS ROOM

**FROM THE OFFICE OF PUBLIC AFFAIRS**

June 8, 1999  
RR-3192

**TREASURY NAMES MORE FRONTS OF COLOMBIAN DRUG CARTELS**

The Treasury Department on Monday added 41 businesses and eight individuals to its list of Specially Designated Narcotics Traffickers (SDNTs), a list designated for economic sanctions against Colombian drug cartels.

Treasury's Office of Foreign Assets Control (OFAC) has determined that these 49 new SDNTs are acting as fronts for the Cali and North Coast cartels. Among the notable drug cartel owned or controlled businesses on the list is the América soccer team, determined to be owned or controlled by Cali cartel leader Miguel Rodriguez Orejuela and other named SDNTs. Other named drug cartel owned or controlled businesses include several pharmaceutical and drug companies, a radio broadcasting company, as well as investment, construction and real estate firms.

"Today's action sends a clear message that we will not allow corporate sleight-of-hand to enable the cartels to profit by using the U.S. financial system and by engaging in American business transactions," said James E. Johnson, Treasury Under Secretary for Enforcement. "This list of companies shows the extent to which narcotics traffickers' illicit proceeds have infiltrated various commercial sectors as the traffickers attempt to legitimize their drug profits."

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out President Clinton's Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. With the addition of names released today, a total of 496 businesses and individuals whose assets are blocked under the 1995 Executive Order are also prohibited from American financial and business dealings.

The list of SDNTs includes the four Cali cartel drug kingpins named in the Executive Order, North Coast narcotics trafficker Julio Cesar Nasser David, and 491 other SDNTs that have been determined to be owned or controlled by, or to act for or on behalf of, persons designated in or pursuant to the Order.

Nine of the newly designated companies are successors or "transformers," using new company names to firms previously designated as SDNTs because they were owned or controlled by the kingpins or agents of the cartels. A total of 27 transformer companies have been named as SDNTs to date. The U.S. Government will continue to identify businesses owned or controlled by drug cartels and expand the SDNT list to include additional Colombian drug trafficking organizations.

The list of businesses and individuals named by Treasury today as SDNTs is available at [www.treas.gov/ofac](http://www.treas.gov/ofac). The list will be published in the Federal Register at a later date.



### FROM THE OFFICE OF PUBLIC AFFAIRS

February 23, 2000  
LS-413

#### **TREASURY NAMES COLOMBIAN DRUG KINGPINS TO TRAFFICKERS LIST**

The Treasury Department today added the names of Ivan and Julio Fabio Urdinola Grajales, among the most wealthy and powerful drug kingpins operating in Colombia today, their fronts from the North Valle drug cartel, and additional fronts belonging to Cali cartel kingpins Gilberto and Miguel Rodriguez Orejuela to the list of Specially Designated Narcotics Traffickers (SDNTs).

The Treasury action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The two drug kingpins named to the SDNT list today by Treasury have risen to prominence with the decline of the Cali cartel and are responsible for huge volumes of drugs that have entered the United States. In addition to the two drug kingpins, Treasury added 20 businesses and 9 associated individuals that it has determined are acting as fronts for the North Valle and Cali drug cartels.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out President Clinton's Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. The list of SDNTs includes kingpins, associates and businesses from Colombia's Cali, North Coast and North Valle drug cartels.

With the addition of the names released today, the assets of a total of 527 businesses and individuals are blocked under the 1995 Executive Order and are prohibited from American financial and business dealings. The list of businesses and individuals named by Treasury today as SDNTs is available at [www.treas.gov/ofac](http://www.treas.gov/ofac). The list will be published in the Federal Register at a later date.

PRESS ROOM



### FROM THE OFFICE OF PUBLIC AFFAIRS

August 18, 2000  
LS-844

#### TREASURY NAMES COLOMBIAN DRUG KINGPINS TO TRAFFICKERS LIST

The Treasury Department today added the names of Arcangel de Jesus Henao Montoya, a leader of one of the most powerful drug trafficking groups that comprise Colombia's North Valle drug cartel, and Juan Carlos Ramirez Abadia, a Cali cartel drug kingpin, to the list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels.

The Treasury action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The two Colombian drug kingpins named to the SDNT list today by Treasury are responsible for huge volumes of drugs that have entered the United States. In addition to the two drug kingpins, Treasury added five businesses and one associated individual that it has determined are acting as fronts for the North Valle drug cartel.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out President Clinton's Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. With the addition of the names released today, the assets of a total of 532 businesses and individuals are blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings.

The list of SDNTs now includes nine kingpins from Colombia's drug cartels, namely Cali cartel drug kingpins Gilberto Rodriguez Orejuela, Miguel Rodriguez Orejuela, Jose Santacruz Londoño, Helmer Herrera Buitrago, and Juan Carlos Ramirez Abadia; North Coast cartel drug kingpin Julio Cesar Nasser David; and North Valle cartel drug kingpins Ivan Urdinola Grajales, Julio Fabio Urdinola Grajales, and Arcangel de Jesus Henao Montoya. The U.S. Government will continue to identify businesses owned or controlled by Colombian drug cartels and expand the SDNT list to include additional drug traffickers and their organizations.

The list of businesses and individuals named by Treasury today as SDNTs is attached and available at [www.ustreas.gov/ofac](http://www.ustreas.gov/ofac), as is the entire list of SDNTs. The list will be published in the Federal Register at a later date.

FOR IMMEDIATE RELEASE  
December 22, 2000

Contact: Public Affairs  
(202) 622-2960

### TREASURY NAMES MORE FRONTS OF COLOMBIAN DRUG CARTELS

The Treasury Department today added the names of eight businesses and eight individuals to its list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels.

Treasury's Office of Foreign Assets Control (OFAC) has determined that these 16 new SDNTs are acting as fronts for Colombia's Cali and North Coast drug cartels. Among the drug cartel businesses added to the list of SDNTs today are several determined to be owned or controlled by Cali cartel leader Miguel Rodriguez Orejuela and other named SDNTs. The Treasury action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them. The eight drug cartel businesses announced today on the list join 220 other entities on the SDNT list including *Copservir* and its *Drogas La Rebaja* drugstore chain, the *America de Cali* professional soccer team, the *Cosmepop* cosmetics company, a radio broadcasting company, as well as investment, construction, real estate, agricultural, and distribution firms.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out President Clinton's Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. With the addition of the names released today, the assets of a total of 548 businesses and individuals are blocked under the 1995 Executive Order and those businesses and individuals are prohibited from financial and business dealings with U.S. persons. The list of SDNTs now includes nine kingpins from Colombia's drug cartels, namely Cali cartel drug kingpins Gilberto Rodriguez Orejuela, Miguel Rodriguez Orejuela, Jose Santacruz Londoño, Helmer Herrera Buitrago, and Juan Carlos Ramirez Abadia; North Coast cartel drug kingpin Julio Cesar Nasser David; and North Valle cartel drug kingpins Ivan Urdinola Grajales, Julio Fabio Urdinola Grajales, and Arcangel de Jesus Henao Montoya. The U.S. Government will continue to identify businesses owned or controlled by Colombian drug cartels and expand the SDNT list to include additional drug traffickers and their organizations.

The list of businesses and individuals named by Treasury today as SDNTs is attached and available at [www.ustreas.gov/ofac](http://www.ustreas.gov/ofac), as is the entire list of SDNTs. The list will be published in the Federal Register at a later date.



## FROM THE OFFICE OF PUBLIC AFFAIRS

April 24, 2001  
PO-219

### TREASURY NAMES COLOMBIAN DRUG KINGPIN TO TRAFFICKERS LIST

The Treasury Department today added the name of Victor Julio Patiño Fomeque, a Colombian drug cartel kingpin, to the list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels.

The Treasury action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The Colombian drug kingpin named to the SDNT list today by Treasury manages maritime drug smuggling operations out of the Pacific port of Buenaventura, Colombia. In addition to the drug kingpin, Treasury added three businesses and twenty-six associated individuals that it has determined are acting as fronts for Victor Julio Patiño Fomeque.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. With the addition of the names released today, the assets of a total of 578 businesses and individuals are blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs now includes ten kingpins from Colombia's drug cartels, namely Cali cartel drug kingpins Gilberto Rodriguez Orejuela, Miguel Rodriguez Orejuela, Jose Santacruz Londoño, Helmer Herrera Buitrago, and Juan Carlos Ramirez Abadia; North Coast cartel drug kingpin Julio Cesar Nasser David; and North Valle cartel drug kingpins Ivan Urdinola Grajales, Julio Fabio Urdinola Grajales, and Arcangel de Jesus Henao Montoya. The U.S. Government will continue to identify businesses owned or controlled by Colombian drug cartels and expand the SDNT list to include additional drug traffickers and their organizations.

The list of businesses and individuals named by Treasury today as [SDNTs is attached](#) and available at [www.treas.gov/ofac](http://www.treas.gov/ofac), as is the entire list of SDNTs. The list will be published in the [Federal Register](#) at a later date.

PRESS ROOM



### FROM THE OFFICE OF PUBLIC AFFAIRS

October 25, 2002  
PO-3579

#### Treasury Designates North Valle Drug Cartel Leaders

The Treasury Department's Office of Foreign Assets Control (OFAC) today added the names of Diego Leon Montoya Sanchez and Luis Hernando Gomez Bustamante, two leaders of the violent North Valle drug cartel in Colombia, to its list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978.

The OFAC action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The Colombian drug kingpins named to the SDNT list today by OFAC smuggle multi-ton quantities of cocaine into the United States. In addition to the two North Valle cartel leaders, OFAC has added 13 businesses and 21 associated individuals in Colombia that it has determined are acting as fronts for Diego Leon Montoya Sanchez, Luis Hernando Gomez Bustamante and another North Valle cartel leader, Arcangel de Jesus Henao Montoya, previously named an SDNT principal individual by OFAC in August 2000. OFAC has cooperated over the past year with the Federal Bureau of Investigation's Miami office in the designation of Diego Leon Montoya Sanchez.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against the Colombian drug cartels. With the addition of the names released today, the assets of a total of 613 businesses and individuals are blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs now includes 12 kingpins from Colombia's drug cartels, namely Cali cartel leaders Gilberto Rodriguez Orejuela, Miguel Rodriguez Orejuela, Jose Santacruz Londoño, Helmer Herrera Buitrago, and Juan Carlos Ramirez Abadia; North Coast cartel leader Julio Cesar Nasser David; and North Valle cartel leaders Ivan Urdinola Grajales, Julio Fabio Urdinola Grajales, Arcangel de Jesus Henao Montoya, Victor Julio Patiño Fomeque, Luis Hernando Gomez Bustamante and Diego Leon Montoya Sanchez.

The list of businesses and individuals named by OFAC today as SDNTs is attached and available at [www.treas.gov/ofac](http://www.treas.gov/ofac), as is the entire list of SDNTs. The list will be published in the Federal Register at a later date.

**NORTH VALLE CARTEL  
SDNT Designations**

Department of the Treasury

**OFAC**



**Diego Leon MONTOYA SANCHEZ**  
(a.k.a. Don Diego)



3 companies



4 individuals



**Luis Hernando GOMEZ BUSTAMANTE**  
(a.k.a. Rasguño)



8 companies



9 individuals



**Arcangel de Jesus HENAO MONTOYA**

Previously designated by OFAC in August 2000,  
pursuant to E.O. 12978



2 companies



7 individuals

Department of the Treasury  
Office of Foreign Assets Control





### FROM THE OFFICE OF PUBLIC AFFAIRS

February 6, 2003  
JS-15

#### **Treasury Designates Cali Cartel Network in Spain and Colombia**

The Treasury Department's Office of Foreign Assets Control (OFAC) last night added the names of 59 businesses and 78 individuals to its list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. OFAC has determined that these 137 new SDNTs are acting as fronts for Colombia's Cali drug cartel and are part of its international business and financial network operating in Spain and Colombia. The drug cartel businesses added to the list of SDNTs today are all determined to be owned or controlled by Cali cartel leaders Miguel Rodriguez Orejuela, currently incarcerated in a Colombian maximum security prison, Gilberto Rodriguez Orejuela, and other named SDNTs.

The OFAC action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The 59 Cali drug cartel businesses announced today include 10 Colombian-owned Spanish companies and 49 Colombian companies. In Spain, the businesses include real estate firms, an Internet services company, a coffee import/export company, a general services company, a graphic arts services provider, and a film distribution services company. In Colombia, the businesses include a money exchange house, pharmaceutical manufacturers and distributors, import/export firms, and investment, real estate and consulting companies.

The network of 59 Cali cartel fronts in Spain and Colombia named today on the list join 244 other Colombian drug cartel businesses on the SDNT list. The list includes Cali cartel businesses Copservir, and its Drogas La Rebaja drugstore chain and Credirebaja charge card, the America de Cali professional soccer team, the Cosmepop cosmetics company, the Farmacoop pharmaceutical laboratory, a Cali radio broadcasting company, as well as consulting, investment, construction, real estate, agricultural, and distribution firms.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels.

The assets of a total of 749 Colombian drug cartel businesses and individuals are now blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs includes 12 kingpins from Colombia's Cali, North Valle, and North Coast drug cartels.

The list of businesses and individuals named by OFAC as SDNTs today is attached and available at [www.treas.gov/ofac](http://www.treas.gov/ofac), as is the entire list of SDNTs. Today's list will be published in the Federal Register at a later date.





### FROM THE OFFICE OF PUBLIC AFFAIRS

March 21, 2003  
JS-122

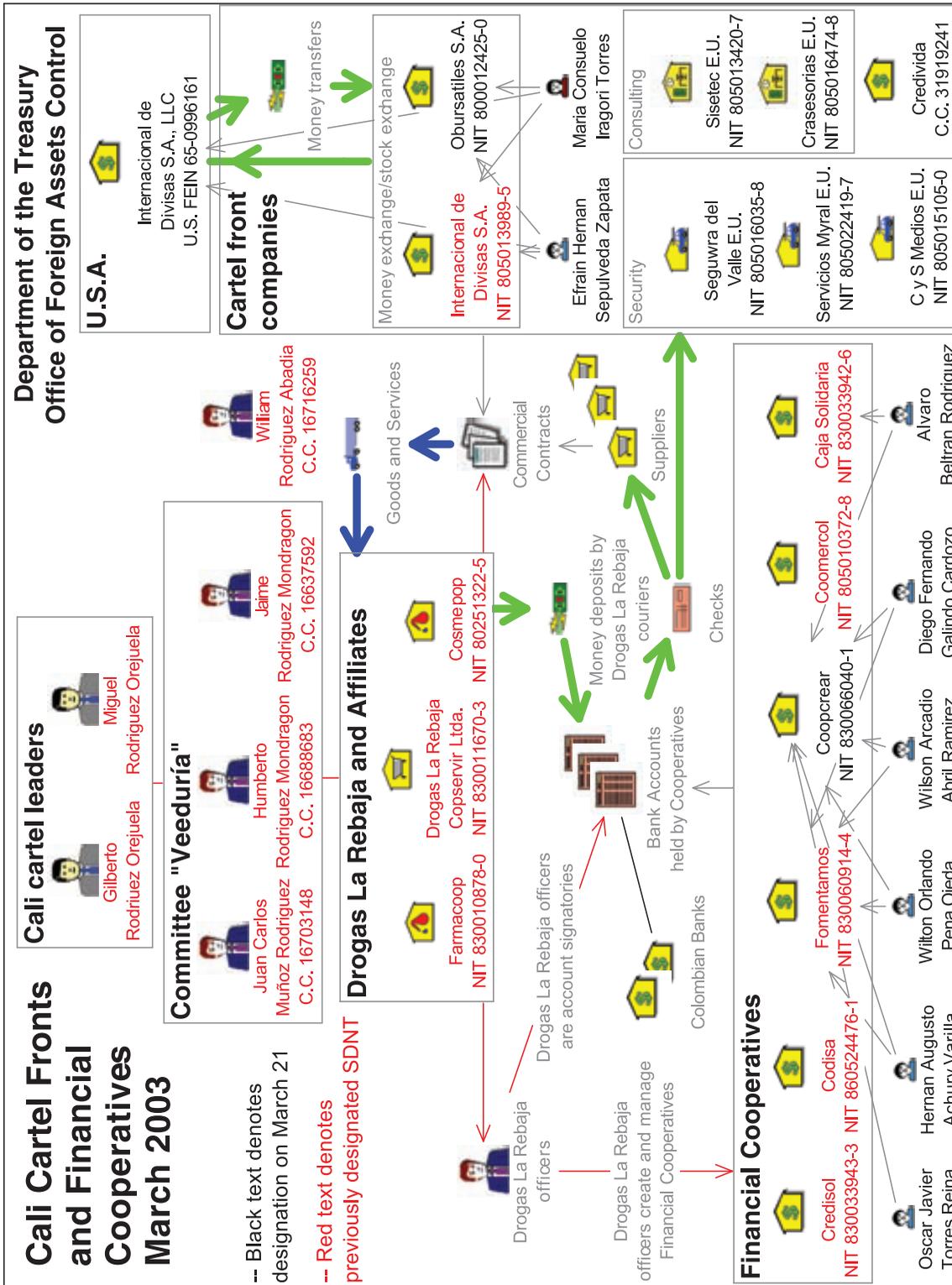
#### Treasury Designates Additional Cali Cartel Fronts in Colombia

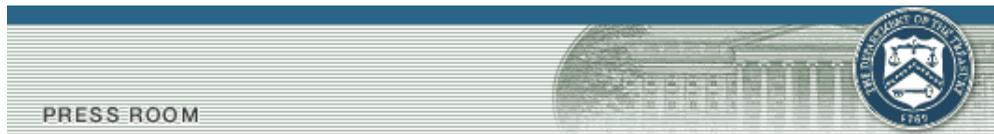
The Treasury Department's Office of Foreign Assets Control (OFAC) today added the names of nine businesses and eight individuals to its list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. The drug cartel businesses added to the list of SDNTs today are all determined to be owned or controlled by Cali cartel leaders Miguel Rodriguez Orejuela, currently incarcerated in a Colombian maximum security prison, Gilberto Rodriguez Orejuela, arrested in Colombia on March 12, and other named SDNTs.

The OFAC action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The network of nine Cali drug cartel businesses announced today includes eight companies in Colombia and one Colombian-owned business in the U.S. Businesses named today include several affiliated with William Rodriguez Abadia, who is indicted in the U.S. on drug trafficking charges and whom the Colombian National Police sought to arrest during an operation in February. Among the businesses named today as SDNTs are: Coopcrear, a front which services cartel business accounts, including payments on-behalf of the cartel's business Copservir, and its Drogas La Rebaja drugstore chain; Credivida, a front affiliated with the Drogas La Rebaja drugstore chain's Credirebaja charge card; Seguwra del Valle E.U., a security front owned by William Rodriguez Abadia; and Servicios Myral E.U. and C y S Medios E.U., two additional companies with security functions affiliated with the Rodriguez Orejuela organization. Financial cooperatives, such as Coopcrear named today, are created by the Cali cartel using trusted corporate officers to provide bank account services to its business fronts. Also named today as part of the cartel's financial network is the Colombian stock brokerage firm Obursatiles S.A. and its U.S. affiliate, Internacional de Divisas S.A., LLC, a money exchange house based in Miami, Florida. Obursatiles S.A. has been blocked pending investigation since February 12.

This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. The assets of a total of 766 Colombian drug cartel businesses and individuals are now blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs includes 12 kingpins from Colombia's Cali, North Valle, and North Coast drug cartels.

The list of SDNTs named today is attached and is available at [www.treas.gov/ofac](http://www.treas.gov/ofac), as is the entire list of SDNTs. A graphic describing the use of Colombian financial cooperatives, such as Coopcrear named today, by the Cali cartel also is available. Today's list will be published in the Federal Register at a later date.





### FROM THE OFFICE OF PUBLIC AFFAIRS

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March 27, 2003  
JS-138

#### Treasury Designates New Cali Cartel Leaders

The Treasury Department's Office of Foreign Assets Control (OFAC) today added the names of new Cali drug cartel leaders Joaquin Mario Valencia Trujillo and Guillermo Valencia Trujillo to its list of Specially Designated Narcotics Traffickers (SDNTs). This action also targets their network of 28 front companies and 28 individuals. SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978.

The drug cartel businesses added to the list of SDNTs today are all determined to be owned or controlled by Cali cartel leaders Joaquin Mario and Guillermo Valencia Trujillo. OFAC has cooperated over the past two years with the U.S. Attorney's Office for the Middle District of Florida and Operation Panama Express, a multi-agency drug task force based out of Tampa, Florida, in the designation of Joaquin Mario Valencia Trujillo and his network of front companies.

The OFAC action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, further exposing, isolating, and incapacitating Colombian drug cartels and their agents. The network of 28 Cali drug cartel businesses announced today includes a prominent paso fino horse farm, Criadero La Luisa, an industrial paper manufacturer, Unipapel S.A., a plastics company, Geoplasticos S.A., a maritime services provider, Gran Muelle S.A., and five financial firms, Compania de Fomento Mercantil S.A., Credisa S.A., Finve S.A., Gestora Mercantil S.A., and Unidas S.A., all located in Colombia.

Also included in the new SDNT list are several commercial paper businesses, maritime agencies, real estate, mining, sporting and consulting companies. These 28 front companies join 312 other Colombian drug cartel businesses on the SDNT list.

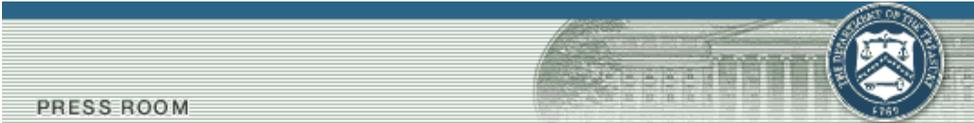
This action is part of the ongoing interagency effort of the Treasury, Justice and State Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. The assets of a total of 824 Colombian drug cartel businesses and individuals are now blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs now includes 14 kingpins from Colombia's Cali, North Valle, and North Coast drug cartels.

The list of businesses and individuals named by OFAC as SDNTs today is attached and available at [www.treas.gov/ofac](http://www.treas.gov/ofac), as is the entire list of SDNTs. Today's list will be published in the Federal Register at a later date.

#### Related Documents:

- [Charts.pdf](#)





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October 17, 2003  
JS-915

#### TREASURY DESIGNATES NETWORK OF CALI DRUG CARTEL FRONT COMPANIES

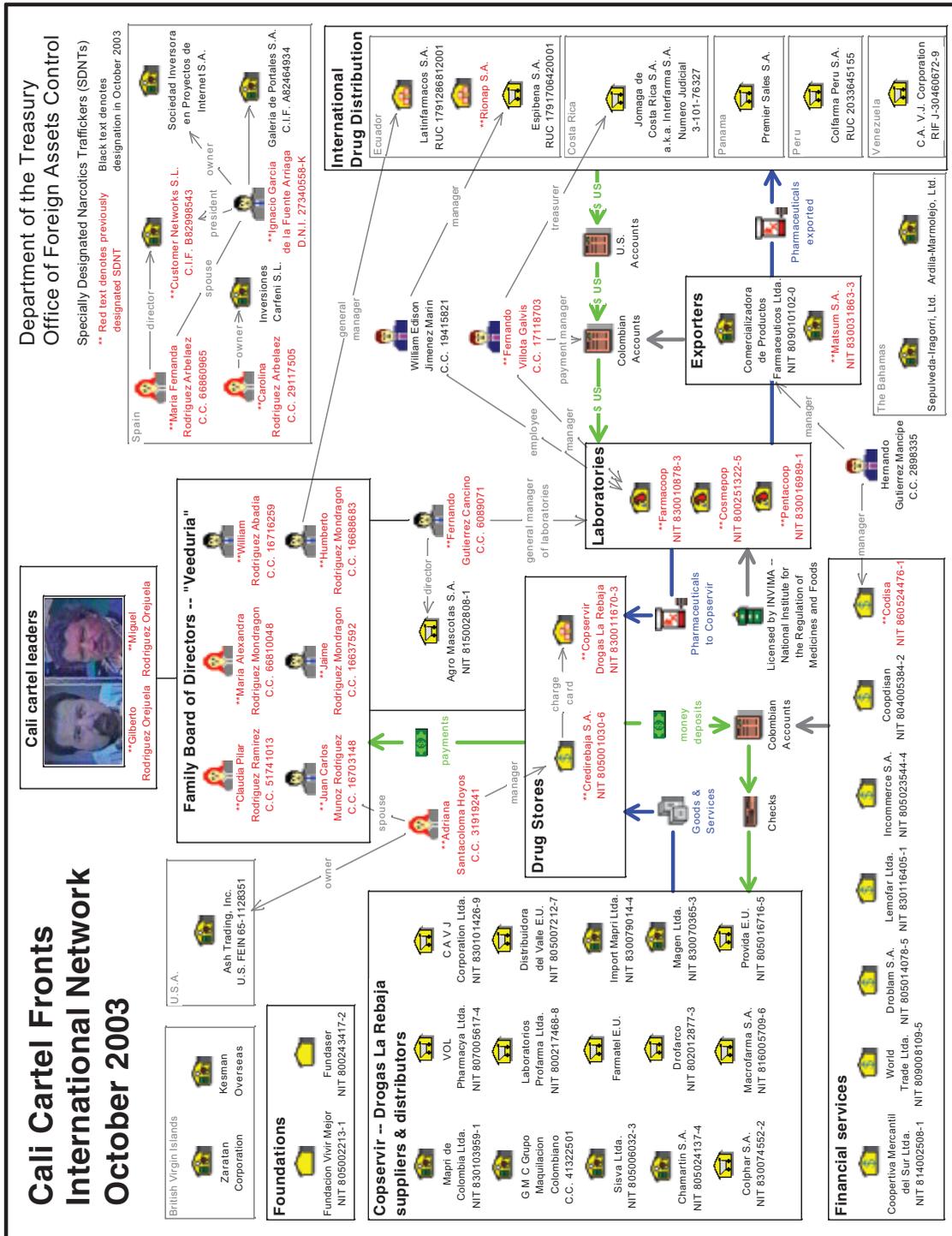
WASHINGTON -- The Treasury Department's Office of Foreign Assets Control (OFAC) today added 39 businesses acting as front companies for the Cali drug cartel based in Colombia and 95 individuals associated with the cartel, and its activities through front companies, to its list of Specially Designated Narcotics Traffickers (SDNTs). Through a network of pharmaceutical businesses, the cartel has laundered money and has penetrated the Colombian economy. These front companies form a vital part of the Cali cartel's international money laundering network. This action freezes their assets and prohibits financial and commercial transactions with U.S. nationals. The Treasury Department will continue to work with Colombian authorities on further actions to shut down the cartel's financial network.

"Today's action demonstrates the Cali cartel's continued use of pharmaceutical companies throughout Latin America and the Caribbean to launder drug money and to penetrate the legitimate economy," stated OFAC Director Rick Newcomb. "The U.S. banking and pharmaceutical sectors should renew their vigilance against providing financial services or supplying products to these front companies."

Included among the 39 businesses designated today are Interfarma/Jomaga de Costa Rica in Costa Rica, Latinfarmacos and Espibena in Ecuador, Colfarma Peru in Peru, Premier Sales in Panama, and C.A. V.J. Corporation in Venezuela, all affiliated with the international drug distribution of Cali cartel pharmaceutical laboratories Pentacoop and Farmacoop on the SDNT list. Also named today are numerous financial fronts in Colombia, such as Coopdisan, Drofarco, and Incommerce, which are created by the Cali cartel using trusted corporate officers to provide bank account services to its business fronts. Inversiones Carfeni and two internet companies in Spain and Ash Trading Inc. in the United States were also named. Today's action is a follow-up to sanction actions directed against the Cali cartel in February and March of this year.

The international network of 39 Cali cartel fronts named today join 340 other Colombian drug cartel businesses on the SDNT list. The list includes Cali cartel businesses Copservir, and its Drogas La Rebaja drugstore chain and Credirebaja charge card, the Obursatiles stock brokerage and Internacional de Divisas money exchange house, the Cosmepop cosmetics company, the America de Cali professional soccer team, as well as consulting, investment, financial, construction, real estate, agricultural, and distribution firms.

This action is part of the ongoing interagency effort of the Treasury, Justice, State, and Homeland Security Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. The assets of a total of 958 Colombian drug cartel businesses and individuals are now blocked under the 1995 Executive Order; and those businesses and individuals are prohibited from American financial and business dealings. The list of SDNTs includes 14 kingpins from Colombia's Cali, North Valle, and North Coast drug cartels.





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September 14, 2004  
js-1915

#### Treasury Designates Financial Web of Colombian Drug Lords

The U.S. Department of the Treasury today attacked the financial network of a Colombian drug cartel by designating 23 Colombian businesses and 118 individuals as Specially Designated Narcotics Traffickers (SDNTs). These entities were acting as fronts for the Cali drug cartel and its leaders, Miguel and Gilberto Rodriguez Orejuela.

"Today's action assails the financial infrastructure of the notorious Cali drug cartel," said Stuart Levey, Treasury's Under Secretary for Terrorism and Financial Intelligence. "We are committed to dismantling the operations of drug Kingpins and their cartels by exposing, isolating and incapacitating their agents and sham companies and by denying them access to the U.S. financial system."

These front companies and individuals form a vital part of the Rodriguez Orejuela organization's financial network in Colombia, which is centered on the drugstore chain *Drogas La Rebaja* and *Copservir*, the pharmaceutical laboratory *Farmacoop* and the cosmetics manufacturer *Cosmepop*. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions with U.S. entities.

"We continue to pursue the financial network of Miguel and Gilberto Rodriguez Orejuela and their use of pharmaceutical companies and financial cooperatives in Colombia to launder drug money and infiltrate the legitimate economy," said Rick Newcomb, Director of Treasury's Office of Foreign Assets Control (OFAC).

Included among the 23 businesses designated today are numerous financial front companies, including *Coopifarma*, *Farmavision*, *Megapharma*, *Litopharma*, *Coomulcosta*, *Activar*, *Soluciones Cooperativas*, *Comudrogas*, *Villaro*, *Segecol*, *Trimark*, *Su Servicio Sociedad*, *Arca Distribuciones*, *Giamx*, and *JyG Asesores*. These entities are all affiliated with *Drogas La Rebaja* and *Copservir*, which were named to the SDNT list in 1995 and 1997, respectively. *Arias Espinosa Aries S.A.*, a key importer of raw materials for the SDNT pharmaceutical laboratory *Farmacoop*, is also named.

Today's designation is a follow-up to previous actions taken by the Treasury against the world-wide financial network of the Rodriguez Orejuela organization in February, March and October 2003.

The 23 front companies named today join 379 other Colombian drug cartel businesses on the SDNT list. The list also includes the *Credirebaja* charge card, the *America de Cali* professional soccer team, the *Obursatiles* stock brokerage, the *Internacional de Divisas* money exchange house, as well as agricultural, consulting, construction, distribution, financial, investment, manufacturing, mining, real estate and service firms.

This action is part of the ongoing interagency effort of the Treasury, Justice, State and Homeland Security Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's narcotics

traffickers. The assets of a total of 1,094 Colombian businesses and individuals are now blocked under E.O. 12978. The SDNT list includes 14 kingpins from the North Valle, North Coast and Cali drug cartels in Colombia, including Miguel and Gilberto Rodriguez Orejuela.

***A diagram of the businesses named by OFAC today is attached.***

***For a complete list of the entities designated today, please visit:***  
<http://www.treas.gov/offices/enforcement/ofac/actions/20040914.shtml>.

***For further information on actions taken against the Cali Cartel, please visit:***

<http://www.treas.gov/press/releases/js15.htm> (February 6, 2003)

<http://www.treas.gov/press/releases/js122.htm> (March 21, 2003)

<http://www.treas.gov/press/releases/js915.htm> (October 17, 2003)

-30-

#### REPORTS

- [Diagram of the Cali Cartel Financial Network](#)



PRESS ROOM



### FROM THE OFFICE OF PUBLIC AFFAIRS

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October 14, 2004  
js-2031

#### Treasury Designates North Valle Drug Cartel Traffickers

The U.S. Department of the Treasury targeted the financial network of the North Valle drug cartel by adding two of its leaders, Gabriel Puerto Parra and Luis Antonio Hernandez Zea, to the list of Specially Designated Narcotics Traffickers (SDNTs). SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978.

"With actions like today's, the U.S. Government is helping to topple the financial empires of drug cartels in Colombia and around the world. This designation exposes and undermines the financial network of the North Valle drug cartel in Colombia and denies these drug lords and their businesses access to the U.S. financial sector," said Juan Zarate, Treasury's Assistant Secretary for Terrorist Financing and Financial Crimes.

"DEA is steadfast in its mission to strip illicit profits from the organizations that supply illegal drugs to the United States. Today's action is a testament to our partnership with OFAC and our foreign law enforcement counterparts. The power of combining the enforcement tools of DEA with the immense regulatory authority of the Treasury Department casts a shadow from which drug traffickers cannot hide," said Karen P. Tandy, Administrator of the Drug Enforcement Administration (DEA).

Puerta Parra is a leading member of the North Valle drug cartel and is the subject of two federal criminal indictments in the United States, both unsealed earlier this year. The indictments filed in the District Court for the District of Columbia and the Southern District of Florida charge Puerta Parra with violations of the Racketeer Influenced and Corrupt Organizations Act and with conspiracy to import, possess and distribute cocaine in the United States. On October 7, 2004, Colombian National Police arrested Puerta Parra near Bogota, Colombia. He is currently awaiting extradition to the United States. Considered the statesman of the North Valle cartel, Puerta Parra has long played an influential role among drug cartel leaders, including resolving disputes within the North Valle cartel and with other drug cartels.

"We are financially isolating Puerta Parra, his business associates, and his facilitators and wiping away the veneer of legitimacy of any of their activities," Zarate continued.

In addition, the Colombian airline, *Intercontinental de Aviacion S.A.*, and 14 other North Valle cartel businesses were also added to the list of SDNTs today. These entities were designated as they are owned or controlled by Puerta Parra and Hernandez Zea, as well as Piedad Velez Rengifo, the widow of deceased North Valle cartel kingpin Jose Orlando Henao Montoya.

Intercontinental de Aviacion S.A. is a small, regional Colombian airline that has facilitated the North Valle cartel's drug trafficking and money laundering activities since the late 1980s. The network also includes two key offshore companies, *Largo Leasing Limited* in the Cayman Islands and *Trans Pacific World Leasing Limited* in Vanuatu, which are incorporated by and directly support *Intercontinental de*

*Aviacion.* The other front companies announced today include a mining company, *Industrial Minera y Pecuaria S.A.*, two financial investment firms, *Accirent S.A.*, and *Comercializadora Andino Brasileira S.A.*, a civil engineering firm, *Inversiones y Comercializadora Incom Ltda.*, an airline finance company, *Intercontinental de Financiacion Aerea S.A.*, an aircraft parts supplier, *Aerocomercial Alas de Colombia Ltda.*, a travel services provider, *Asociacion Turistica Internacional S.C.S.*, and a hotel management company, *Cia. Constructora y Comercializadora del Sur Ltda.*, all of which are located in Columbia.

Also designated today are 14 individuals who act as agents for Gabriel Puerta Parra, Luis Antonio Hernandez Zea and Piedad Velez Rengifo in the designated companies. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions between the designated persons and entities and any U.S. person.

A total of 417 Colombian drug cartel businesses are now on the SDNT list. The list also includes the paso fino horse farm *Criadero La Luisa E.U.*, the industrial paper manufacturer *Unipapel S.A.*, the agro-industrial business *Viscaya Ltda.*, the *Obursatiles* stock brokerage firm, and the *America de Cali* professional soccer team, as well as other agricultural, pharmaceutical, consulting, construction, distribution, financial, investment, manufacturing, mining, real estate and service firms.

This action is part of the ongoing interagency effort, that includes the Departments of the Treasury, Justice, State and Homeland Security, to implement Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. Today's announcement is a result of the Treasury Department's Office of Foreign Assets Control's continuing close working relationship with U.S. law enforcement authorities, and particularly, in this case, DEA field offices in Phoenix and Miami. The U.S. government continues to work with and support the Colombian government in attacking the finances of Colombia's drug cartels.

The assets of a total of 1,125 businesses and individuals in Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, and the Cayman Islands, are now blocked under E.O. 12978. The SDNT list includes 16 kingpins from the Cali, North Valle, and North Coast drug cartels in Colombia, including Gabriel Puerta Parra and Luis Antonio Hernandez Zea.

***For a complete list of the entities designated today, please visit:***

<http://www.treas.gov/offices/enforcement/ofac/actions/>

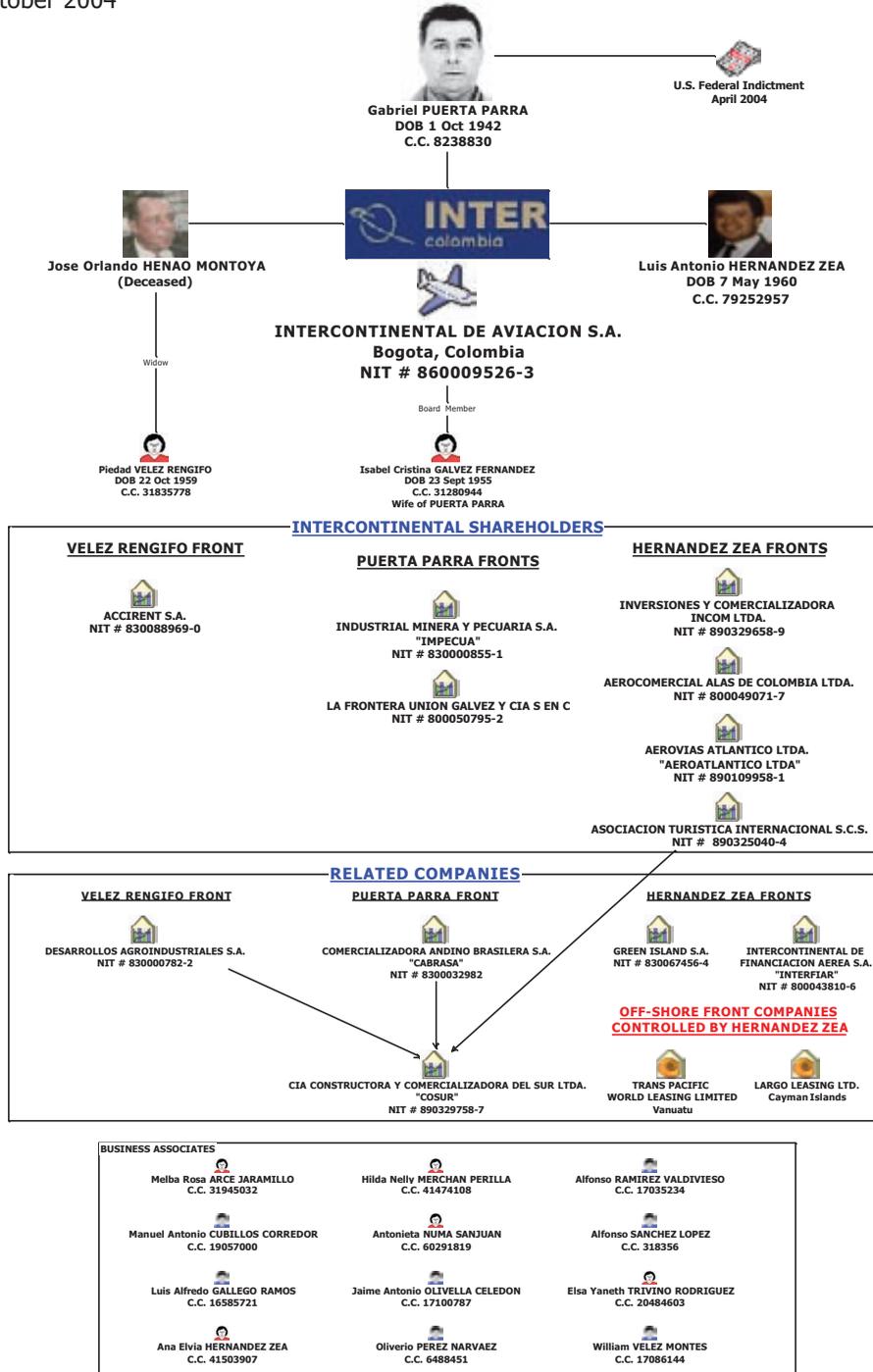
#### LINKS

- [Diagram of the North Valle Drug Cartel Financial Network](#)

# North Valle Drug Cartel Financial Network

October 2004

Department of the Treasury  
Office of Foreign Assets Control



PRESS ROOM



### FROM THE OFFICE OF PUBLIC AFFAIRS

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November 17, 2004  
JS-2106

#### Treasury Further Assails the Financial Infrastructure of the Cali Drug Cartel by Designating 23 Linked

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added seven businesses and 16 individuals to its list of Specially Designated Narcotics Traffickers (SDNTs). These companies and individuals were acting as fronts for Colombian drug lords Miguel and Gilberto Rodriguez Orejuela and formed a vital part of the organization's financial network in Colombia and abroad.

"We have seen that the notorious Rodriguez Orejuela organization manipulates people and businesses – both inside Colombia and out – to traffic narcotics and bankroll their network," said OFAC Director Robert Werner. "We continue to attack the financial web of the Cali Cartel, and today's action ensures that these sham companies and operatives are denied access to the U.S. economy and financial system."

Today's announcement is a follow-up to OFAC sanctions actions in 2003-2004 against the world-wide financial network of the Rodriguez Orejuela organization. The OFAC action blocks the assets of SDNTs found in U.S. jurisdiction and prohibits Americans from doing business with them, thereby further exposing, isolating, and incapacitating Colombian drug cartels and their agents.

U.S. fugitive William Rodriguez Abadia, son of Miguel Rodriguez Orejuela and heir to the organizational throne, is among the shareholders of *Alero S.A.*, a garment manufacturer located in Cali, Colombia and named in today's action. Also included among the seven businesses designated today are the Colombian financial front companies, *A G Representaciones Ltda.*, *Inversiones Capital Ltda.*, *Representaciones Zatz Ltda.*, and *Valores Corporativos S.A.* These businesses are all affiliated with the money remittance company *Internacional de Divisas S.A.* and the stock brokerage firm *Obursatiles S.A.*, both of which were named to the SDNT list in 2003 because of their links to the Rodriguez Orejuela organization. In addition, *Farfalla Investment S.A.* of Panama and *Galaviz Corporation, Ltd.* of the Bahamas were also designated.

The legal representative of *Alero* is Maria Irigorri Torres, who was named as an SDNT in March 2003 due to her involvement in *Internacional de Divisas* and *Obursatiles*. Irigorri Torres, who is also involved in *Valores Corporativos*, was arrested by Colombian authorities due to allegations of money laundering in January 2004.

Previously designated SDNT entities from the Cali and North Valle cartels include the Colombian airline *Intercontinental de Aviacion S.A.*, the paso fino horse farm *Criadero La Luisa E.U.*, the industrial brick company *Ladrillera La Candelaria Ltda.*, the mining company *Industrial Minera y Pecuaria S.A.*, the industrial paper manufacturer *Unipapel S.A.*, the agro-industrial business *Viscaya Ltda.*, and the *America de Cali* professional soccer team, as well as other agricultural, aviation, consulting, construction, distribution, financial, hotel, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms.

This action is part of the ongoing interagency effort of the Treasury, Justice, State, and Homeland Security Departments to carry out Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's narcotics traffickers. The assets of a total of 1,147 Colombian businesses and individuals are now blocked under the 1995 Executive Order. The SDNT list includes 16 kingpins from the Cali, North Valle, and North Coast drug cartels in Colombia.

***A diagram of the businesses named by OFAC today is [attached](#).***

***For a complete list of the entities designated today, please visit:***  
<http://www.treas.gov/offices/enforcement/ofac/actions/>

***For further information on actions taken against the Cali Cartel, please visit:***

<http://www.treasury.gov/press/releases/js1915.htm> (September 14, 2004)

<http://www.treas.gov/press/releases/js15.htm> (February 6, 2003)

<http://www.treas.gov/press/releases/js122.htm> (March 21, 2003)

<http://www.treas.gov/press/releases/js915.htm> (October 17, 2003)



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March 17, 2005  
JS-2324

#### Treasury Designation Targets North Valle Drug Cartel Leader

In another step aimed at depriving Colombian narcotics traffickers of capital, the U.S. Department of the Treasury today added the name of North Valle drug cartel leader Carlos Alberto Renteria Mantilla ("Beto Renteria") to its list of Specially Designated Narcotics Traffickers (SDNTs), along with 11 front companies and individuals operating on his behalf.

"Designating Beto Renteria as a leader of North Valle cartel is a fundamental step in our battle to undermine the financial network of this notorious Colombian drug cartel," said Robert Werner, Director of the Treasury's Office of Foreign Assets Control (OFAC). "The North Valle drug cartel depends on its financial network to stay in businesses, and actions like today's can deal a serious blow to those resources."

Beto Renteria is a leading member of the North Valle drug cartel, and his involvement in narcotics trafficking has been documented back to the late 1970s. Beto Renteria is the subject of two federal criminal indictments in the United States. In 2004, the District Court for the District of Columbia charged Beto Renteria with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO). Ten years prior, an indictment was filed in the Southern District of Florida charging Beto Renteria with conspiracy to import, possess and distribute cocaine in the United States. The United States is offering up to \$5 million for information leading to his arrest.

This action also targets a financial network of 11 front companies and individuals that act for or on behalf of Beto Renteria. The four Colombian businesses identified today are Dimabe Ltda., Inversiones Agroindustriales del Occidente Ltda., Compania Agropecuaria del Sur Ltda. and Colombo Andino Comercial Coalsa Ltda. All four businesses are located in Bogota, Colombia. The seven Colombian individuals designated today include Beto Renteria's wife, Maria Nury Caicedo Gallego, and their key financial front man, Mauricio Pardo Ojeda.

Today's announcement is a result of OFAC's close working relationship with U.S. law enforcement authorities, and particularly in this case, the Drug Enforcement Administration (DEA).

SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions between the designees and any U.S. person.

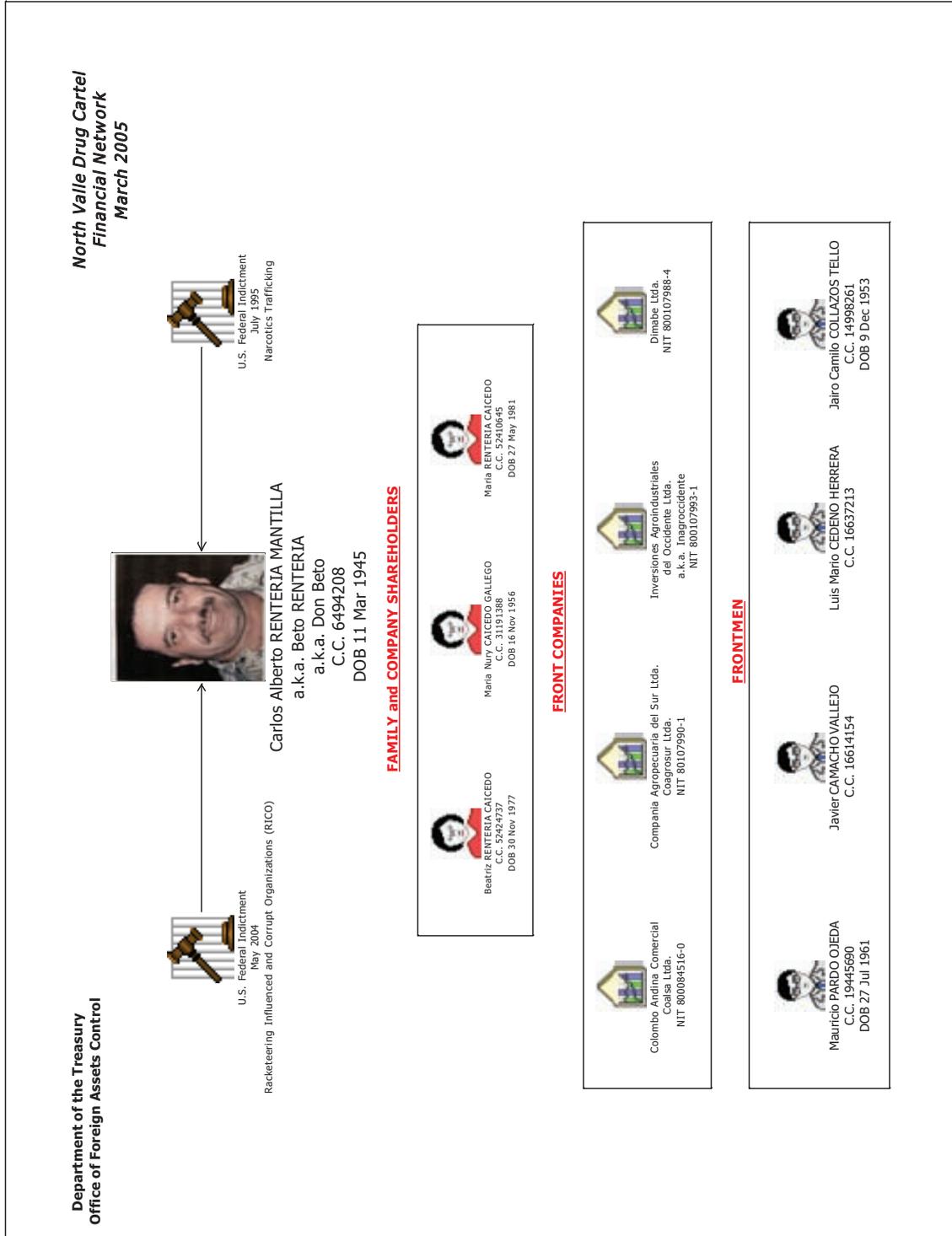
The U.S. Government continues to work with and support the Colombian government in attacking the finances of Colombia's drug cartels. In February 2005, the Colombian government seized the airline Intercontinental de Aviacion, which had been designated by OFAC in October 2004 because it was owned and controlled by North Valle cartel leaders Gabriel Puerta Parra and Luis Hernandez Zea.

The assets of a total of 1,159 business and individuals in Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands and the Cayman Islands are now blocked under E.O. 12978. The 428 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms. The SDNT list includes 17 kingpins from the Cali, North Valle, and North Coast drug cartels in Colombia, including North Valle cartel leader Carlos Alberto Renteria Mantilla.

A complete list of the entities identified today can be found at:  
<http://www.treas.gov/offices/enforcement/ofac/actions/>.

#### REPORTS

- [Renteria Chart](#)



PRESS ROOM



### FROM THE OFFICE OF PUBLIC AFFAIRS

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May 11, 2005  
JS-2440

#### **Treasury Designation Targets North Valle Cartel Associates, Businesses -Sixty-three Individuals, Entities Named Colombian Narcotics Traffickers-**

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added 32 companies and 31 individuals to its list of Specially Designated Narcotics Traffickers (SDNTs). The companies named form the Grajales business group, known in Colombia as *Grupo Grajales*. Also designated today was the head of *Grupo Grajales*, Raul Alberto Grajales Lemos.

"Today's designation dealt another serious blow to the financial network of the North Valle cartel," said Robert Werner, Director of OFAC. "By breaking the financial backbone of groups like North Valle, we help thwart the ability of cartels to traffic lethal narcotics in the United States and abroad."

"Actions like today's weaken the viability of rogue groups and reduce their ability to undermine the legitimate, democratic governments of countries in which they operate, like Colombia. The designation process is a truly important tool that furthers the national security and foreign policy interests of the United States by helping to promote stability abroad," Werner continued.

Raul Grajales Lemos, the head of *Grupo Grajales*, is the subject of a cocaine trafficking indictment filed in the Southern District of Florida. In addition, he has been associated with various leaders of the North Valle drug cartel for many years, including SDNT principal individuals Ivan Urdinola Grajales (deceased 2002) and Carlos Alberto Renteria Mantilla (a.k.a. Beto Renteria). The North Valle drug cartel is the target of a Racketeer Influenced and Corrupt Organizations (RICO) Act indictment filed in the District of Columbia.

Lorena Henao Montoya (SDNT since February 2000), the widow of confessed narcotics trafficker Ivan Urdinola Grajales, was captured in Panama in January 2004. Documents seized from Lorena Henao Montoya's properties and associates demonstrate her financial links to principal *Grupo Grajales* companies, including *Grajales S.A.* (fruit cultivation), *Casa Grajales S.A.* (winery), *Frexco S.A.* (fruit processing and exports) and *Hotel Los Vinedos* (La Union, Valle, Colombia). Other documents seized in Panama exposed Lorena Henao Montoya's bribery of Colombian officials involved in asset forfeiture cases against her. She pleaded guilty to these charges and is now serving a prison sentence in Colombia.

Beto Renteria, a fugitive who was named as a leader of the North Valle drug cartel in the RICO indictment, also has a financial interest in *Grupo Grajales* companies. Beto Renteria's key financial front man, Mauricio Pardo Ojeda (SDNT since March 2005), is involved in the holding and management companies that operate *Casa Estrella*, a Colombian department store chain. In addition, the wife of Beto Renteria, Maria Nury Caicedo Gallego (SDNT since March 2005), is involved in *Salome Grajales y Cia. Ltda.*, a company named after the sister of Raul Grajales Lemos. The *Casa Estrella* department store chain was once known as "*Casa Grajales*" and remains a part of *Grupo Grajales*.

SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions between the designees and any U.S. person.

The assets of a total of 1,215 business and individuals in Aruba, Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands and the Cayman Islands are now blocked under E.O. 12978. The 460 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms. The SDNT list includes 18 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia, including newly named North Valle cartel leader Raul Alberto Grajales Lemos.

For more information on recent Treasury actions against the North Valle cartel, please visit the following links:

***Treasury Designation Targets North Valle Drug Cartel Leader***

<http://www.treas.gov/press/releases/js2324.htm>

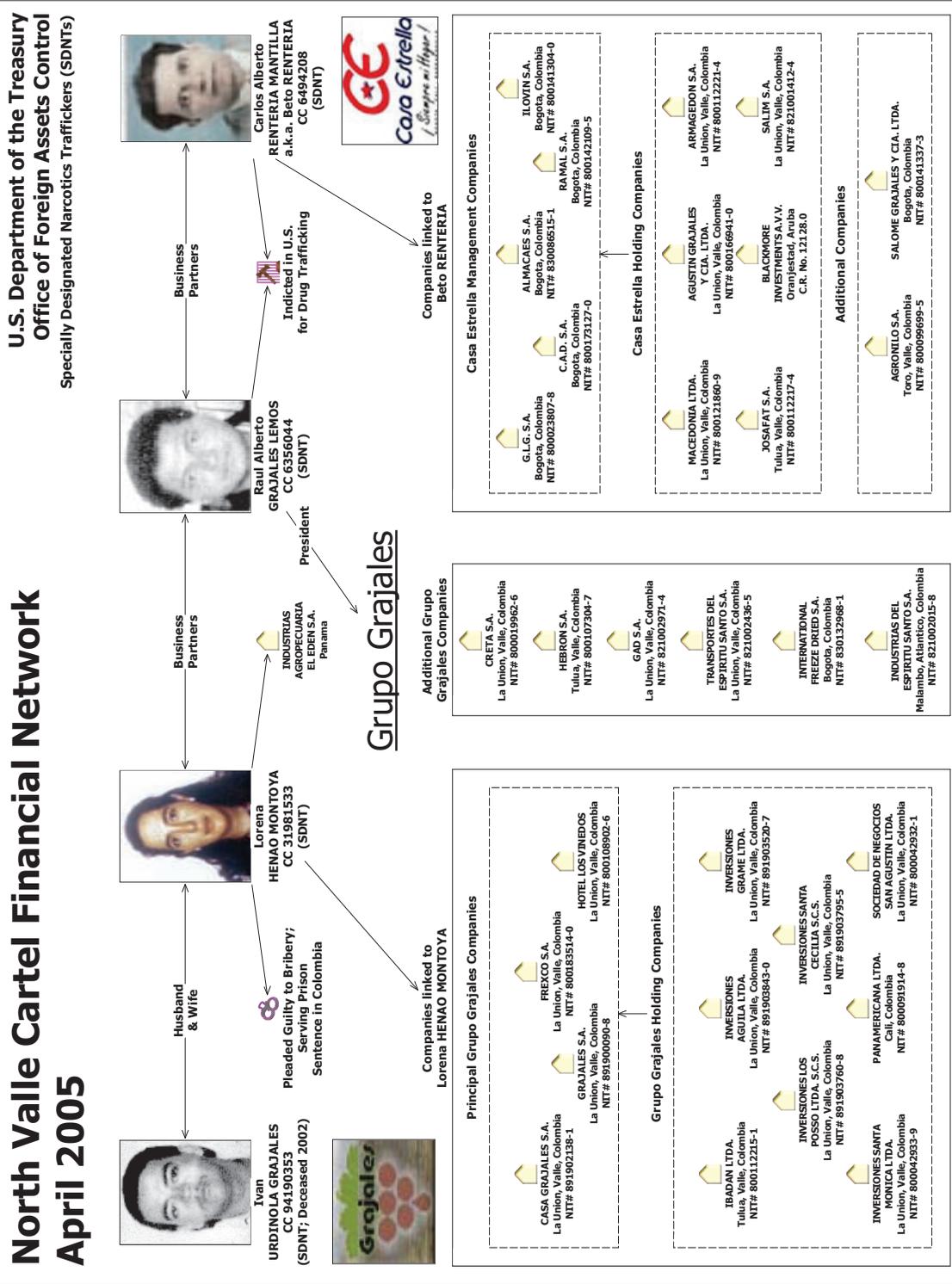
***Treasury Designates North Valle Drug Cartel Traffickers***

<http://www.treas.gov/press/releases/js2031.htm>

***A complete list of the entities identified today can be found at:***  
<http://www.treas.gov/offices/enforcement/ofac/actions/>.

**REPORTS**

- [A diagram of the individuals and businesses designated today](#)





PRESS ROOM

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November 9, 2005  
JS-3012

**Treasury Designates Violent Colombian Drug Lord  
Action Additionally Targets Four Companies, Ten Associates of North Valle  
Cartel**

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today named Colombian Wilber Varela, a.k.a. "Jabon," as a principal Specially Designated Narcotics Trafficker (SDNT) of the North Valle drug cartel. The Treasury also identified four companies and ten other North Valle associates, including rising North Valle cartel leaders Eduardo Restrepo Victoria, a.k.a. "El Socio" and Ramon Quintero Sanclemente. Today's action was taken pursuant to Executive Order 12978, which applies economic sanctions against Colombian drug cartels.

"An assassin turned drug lord, Varela's trafficking and lethal exploits are fueled through the North Valle cartel's financial flows," said Robert Werner, OFAC Director. "This designation directly targets a financial nucleus of the notorious North Valle cartel."

In May 2004, the District Court for the District of Columbia charged the leaders of the North Valle cartel, including Wilber Varela, with Racketeer Influenced and Corrupt Organizations Act (RICO) violations. The District Court for the Eastern District of New York separately indicted Varela on narcotics trafficking charges. Considered extremely dangerous, Varela is a former assassin who rose to become a North Valle cartel leader by killing competing rival cartel leaders. The United States is offering up to \$5 million for information leading to his arrest.

Ramon Quintero Sanclemente and Eduardo Restrepo Victoria are rising North Valle traffickers associated with Varela. In 1999, the Southern District of Florida indicted Ramon Quintero Sanclemente, a.k.a. Lucas, on narcotics trafficking and money trafficking charges. Restrepo Victoria is wanted by Colombian authorities on conspiracy and gunrunning charges.

Also named today are four companies owned and controlled by Varela associates. They include a plastics company, an agricultural company and a professional services firm, all based in Colombia. A Guadalajara, Mexico travel agency is also named.

Today's announcement is a result of the ongoing efforts between OFAC and U.S. law enforcement, particularly the Drug Enforcement Administration and the Federal Bureau of Investigation.

Today's action freezes any assets the designees may have located in the United States and prohibits all financial and commercial transactions between the designees and any U.S. person.

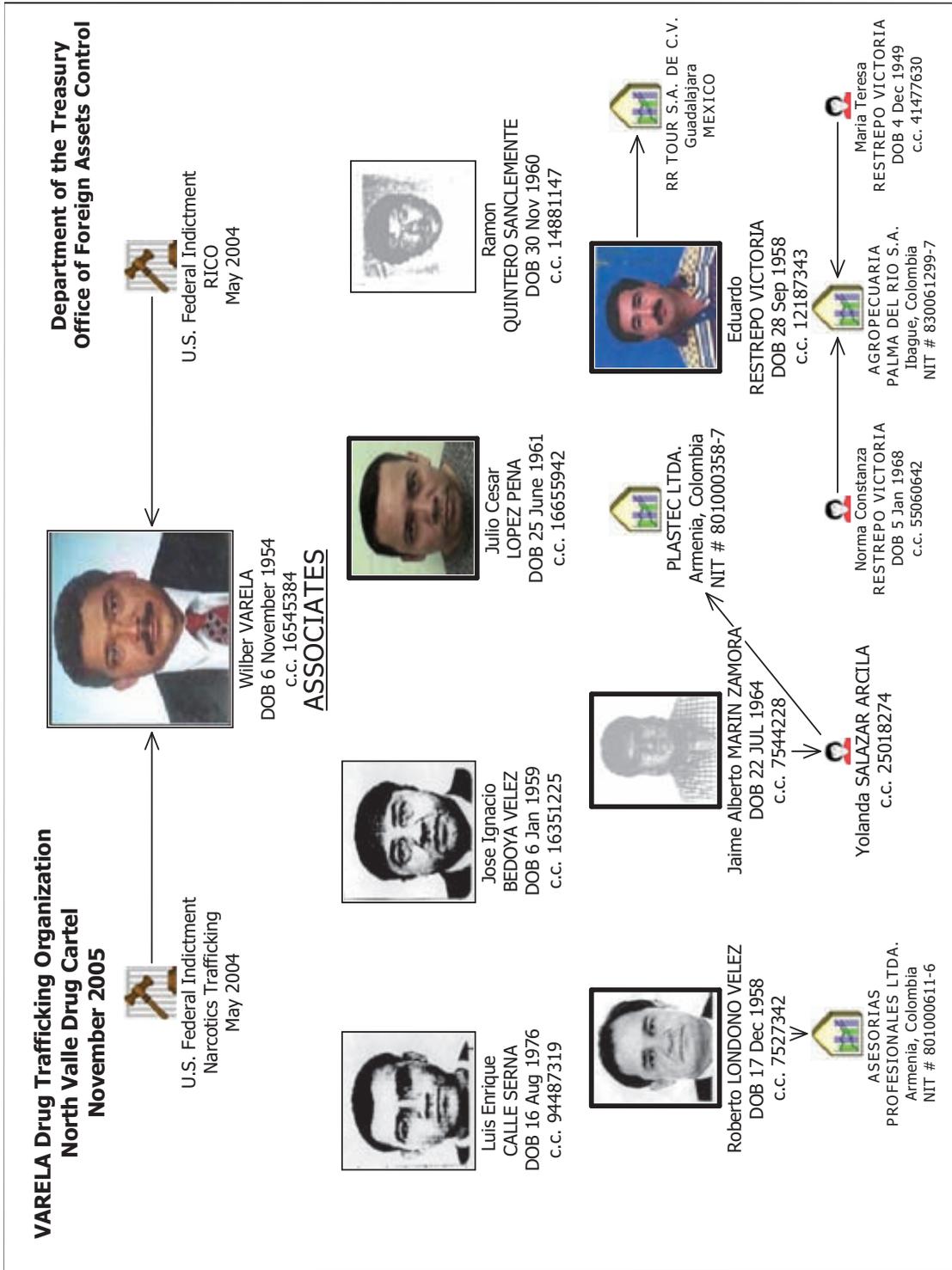
1,230 companies and individuals in Aruba, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, and the Cayman Islands, have been designated pursuant to E.O. 12978. The 464 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate, service and travel firms. The SDNT list includes 19 drug kingpins from

the Cali, North Valle, and North Coast drug cartels in Colombia, including newly named North Valle cartel leader Wilber Varela.

For a complete list of individuals and entities designated today, please visit: <http://www.treasury.gov/offices/enforcement/ofac/actions/20051109.shtml>.

#### REPORTS

- [Varela Drug Trafficking Organization North Valle Drug Cartel November 2005](#)





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November 30, 2005  
JS-3028

Treasury Names Front Companies, Sham  
Operatives Helping To Bankroll Narco-  
Trafficking in Colombia

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added two individuals and three companies tied to the North Valle drug cartel to its list of Specially Designated Narcotics Traffickers (SDNTs). The two individuals, both Colombian, act as front persons for North Valle leaders Raul Grajales Lemos and Carlos Alberto Renteria Mantilla (a.k.a. Beto Renteria). Both Raul Grajales Lemos and Beto Renteria have been indicted in the United States on charges relating to narcotics trafficking.

"The North Valle cartel has used these straw men and front companies in attempts to operate under a cloak of legitimacy," said Robert Werner, Director of OFAC. "Designating the North Valle's financial network severely restricts the cartel's efforts to launder drug proceeds."

The two individuals, Armando Jacobo Jaar Jacir and Maria Sair Pelissier Ospina, represent the interests of Raul Grajales Lemos and Beto Renteria in the operation of Casa Estrella, a department store chain located in Colombia that was previously named a SDNT. This activity is carried out in attempts to hide the North Valle's control of the chain. Armando Jacobo Jaar Jacir has been a business associate of Raul Grajales Lemos and Beto Renteria for over a decade and participates in multiple companies controlled by them, in addition to Casa Estrella. Maria Sair Pelissier Ospina has also been a business associate of Raul Grajales Lemos for over a decade and participates in multiple companies controlled by Raul Grajales Lemos and Beto Renteria, including Casa Estrella.

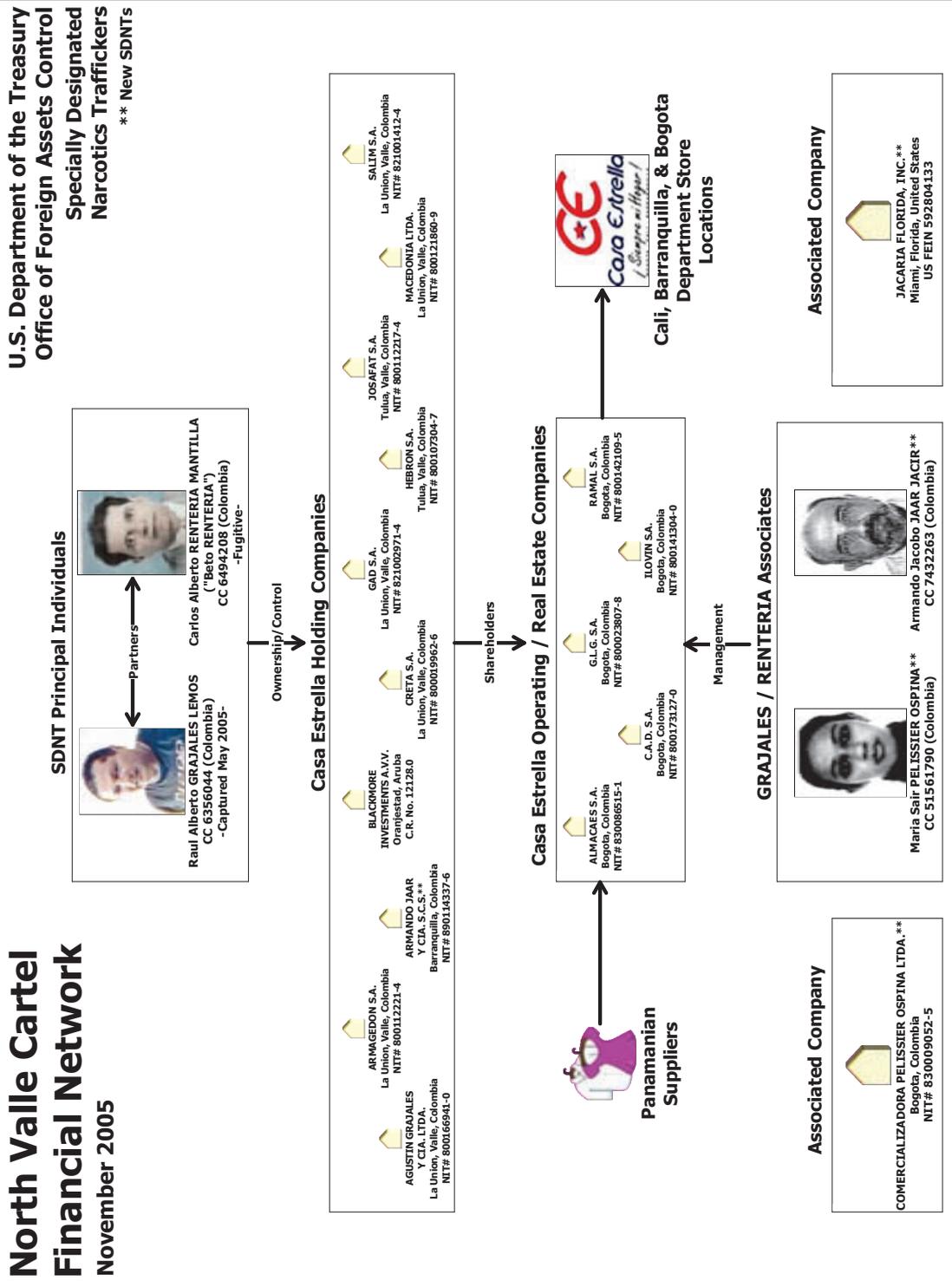
Also named as SDNTs today were two companies controlled by Armando Jacobo Jaar Jacir, Armando Jaar y Cia. S.C.S. in Colombia and Jacaria Florida, Inc. in the United States. In addition, Comercializadora Pelissier Ospina Ltda. in Colombia, a company controlled by Maria Sair Pelissier Ospina, was also named.

SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. Today's action freezes any assets the designees may have located under U.S. jurisdiction and prohibits all financial and commercial transactions between the designees and any U.S. person.

The assets of a total of 1,235 business and individuals in Aruba, Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, the Cayman Islands and the United States have been designated pursuant E.O. 12978. The 467 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms. The SDNT list includes 19 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia.

REPORTS

- [A diagram of the individuals and businesses designated](#)





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June 13, 2006  
JS-4318

### Treasury Identifies International Financial Network of Colombia's Notorious North Valle Drug Cartel

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added five individuals and twenty companies tied to Colombia's North Valle drug cartel to its list of Specially Designated Narcotics Traffickers (SDNTs). The five individuals act as front persons for North Valle cartel leaders Raul Alberto Grajales Lemos (Raul Grajales) and Carlos Alberto Renteria Mantilla (Beto Renteria). Both Raul Grajales and Beto Renteria have been indicted in the U.S. on charges relating to narcotics trafficking.

"Today's action exposes a key financial network of the North Valle cartel," said Barbara Hammerle, Acting Director of OFAC. "This network utilizes front companies in Colombia, the United States, Panama, and the British Virgin Islands to move its illicit proceeds. By exposing the financial backbone of Colombian drug cartels through our designation process, we thwart their ability to launder illicit proceeds."

The four newly named Colombian individuals, Francisco Javier Duque Correa, Ricardo Jaar Jacir, Moises Abdal Saieh Muvdi, and Carlos Ernesto Saieh Jamis, represent the interests of Raul Grajales and Beto Renteria in the operation of *Casa Estrella* and associated companies. *Casa Estrella* is a department store chain located in Colombia that was previously named as an SDNT by OFAC in May 2005. This activity is carried out in attempts to hide the North Valle cartel's control of the department store chain.

Francisco Javier Duque Correa is the general manager of *Casa Estrella* and has been an associate of Raul Grajales for the past 16 years. Ricardo Jaar Jacir, a share holder in *Casa Estrella*, is the half brother of Armando Jaar Jacir, a key front person for Raul Grajales and Beto Renteria who was previously designated by OFAC in November 2005. Moises Abdal Saieh Muvdi and Carlos Ernesto Saieh Jamis have been business associates of Raul Grajales and Beto Renteria for the past 15 years and are also shareholders in *Casa Estrella*.

The fifth individual designated today, Salvadoran national Carmen Elena Siman De Jaar, was named for her involvement in the SDNT entity, *Armando Jaar y Cia. S.C.S.*, as well as her involvement in *Cipe Investments Corporation*, a Panamanian shell company. Carmen Elena Siman is the wife of Armando Jaar Jacir.

Also named today are 20 companies which comprise an international financial network for Colombia's North Valle cartel. These companies are located in Colombia (8), Panama (5), the British Virgin Islands (1) and the United States (6). The 20 companies encompass a wide range of services including real estate, investment, construction, property management and manufacturing. The U.S. and Panamanian companies are owned or controlled by Moises Abdal Saieh Muvdi and Carlos Ernesto Saieh Jamis. These entities are shell companies used to facilitate financial transactions. *Gimber Investing Corporation* is located in the British Virgin Islands and is the majority shareholder of *Confecciones Lord S.A.*, a Colombian company also named today, which is affiliated with *Casa Estrella*.

SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions between the

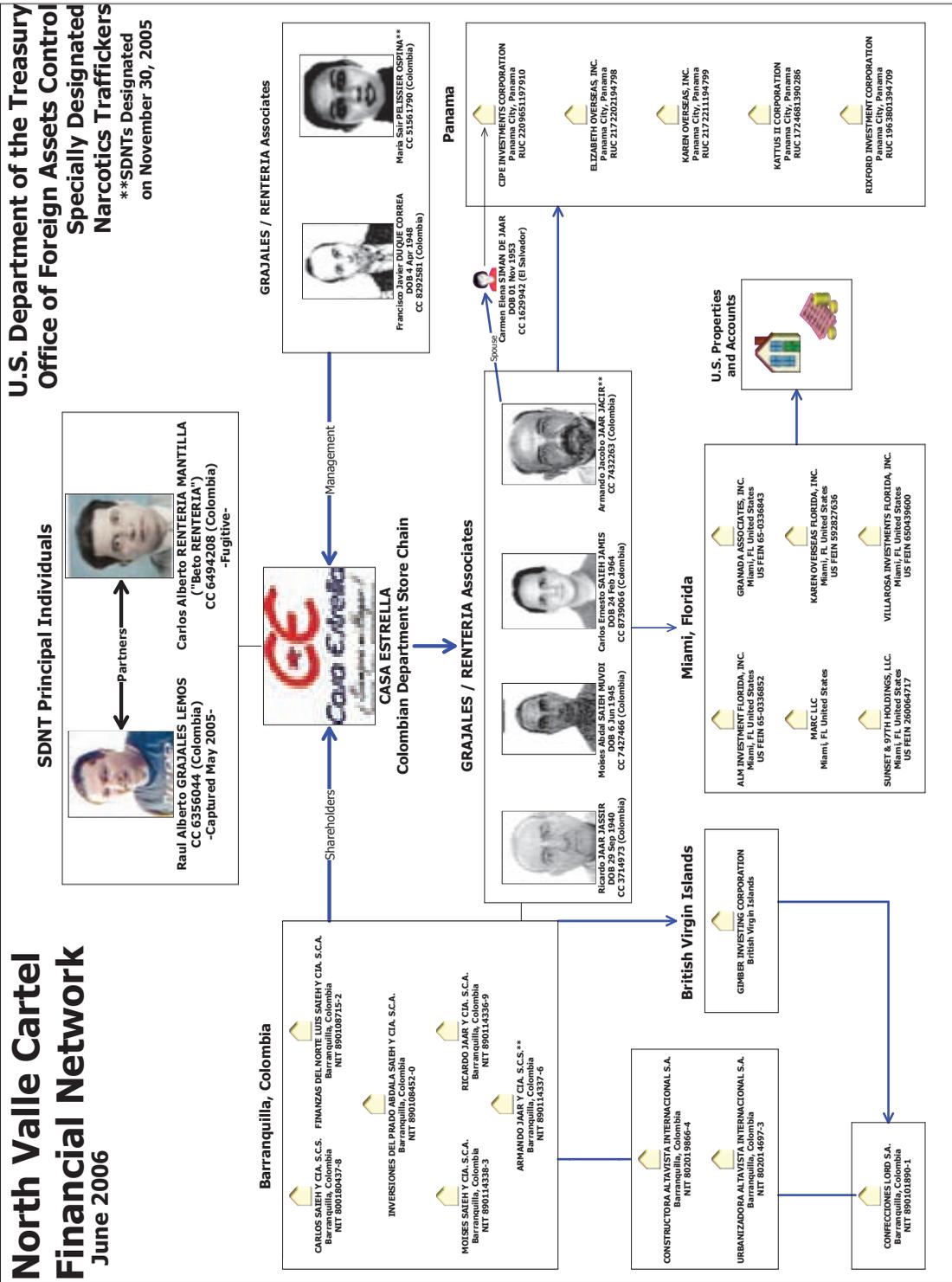
designees and any U.S. person.

The assets of a total of 1,260 business and individuals in Aruba, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, the Cayman Islands, and the United States have been designated by OFAC pursuant E.O. 12978. The 487 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, horse breeding, investment, manufacturing, maritime, mining, offshore, industrial paper, pharmaceutical, real estate and service firms. The SDNT list includes 19 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia.

*For a complete list of the individuals and entities designated today, please visit:*  
<http://www.treasury.gov/offices/enforcement/ofac/actions/index.shtml>

## REPORTS

- [North Valle Cartel Financial Network](#)





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August 29, 2006  
HP-74

### Treasury Designation Targets Elusive North Valle Cartel Leader

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added to its list of Specially Designated Narcotics Traffickers four individuals and two companies tied to Juan Carlos Ramirez Abadia, a leader of Colombia's North Valle drug cartel.

"Juan Carlos Ramirez Abadia has been one of the most powerful and most elusive drug traffickers in Colombia," said Adam J. Szubin, Director of OFAC. "Today we are exposing and taking action against elements of his financial network for the first time, including seemingly legitimate companies built upon narcotics proceeds."

The four individuals act as front persons for North Valle cartel leader Juan Carlos Ramirez Abadia (a.k.a. *Chupeta* or "Lollipop"), who was named a Specially Designated Narcotics Trafficker (SDNT) by OFAC in August 2000. These front individuals operate a Colombian pharmaceutical distribution company, *Disdrogas Ltda.*, on behalf of Juan Carlos Ramirez Abadia. Also designated today was a Colombian holding company named *Ramirez Abadia y Cia. S.C.S.*

Juan Carlos Ramirez Abadia began his illicit career in narcotics trafficking with Colombia's Cali drug cartel. He was indicted on federal drug trafficking charges in Colorado in 1994 and the Eastern District of New York in 1995. Juan Carlos Ramirez Abadia surrendered to Colombian authorities in 1996. Following his release from a Colombian prison in 2002, Ramirez Abadia continued his trafficking activities and closely allied himself with the North Valle drug cartel. In 2004, the District Court for the District of Columbia indicted the North Valle drug cartel under the Racketeer Influenced and Corrupt Organizations Act (RICO) and named Juan Carlos Ramirez Abadia as one of its leaders.

Ramirez Abadia founded the holding company *Ramirez y Cia. Ltda.* in the late 1980s, early in his narcotics trafficking career. Ramirez Abadia eventually changed the name of the company to *Disdrogas Ltda.* and placed the official ownership and management in the hands of persons he could trust to protect his asset. These trusted persons included his parents, Omar Ramirez Ponce and Carmen Alicia Abadia Bastidas, and his business associates Jorge Rodrigo Salinas Cuevas and Edgar Marino Otalora Restrepo, all of whom were named today by OFAC. In addition, OFAC has designated the Colombian holding company *Ramirez Abadia y Cia. S.C.S.*, which was created to hold real estate and other assets for Ramirez Abadia.

SDNTs are subject to the economic sanctions imposed against Colombian drug cartels in Executive Order 12978. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions by U.S. persons involving the designees.

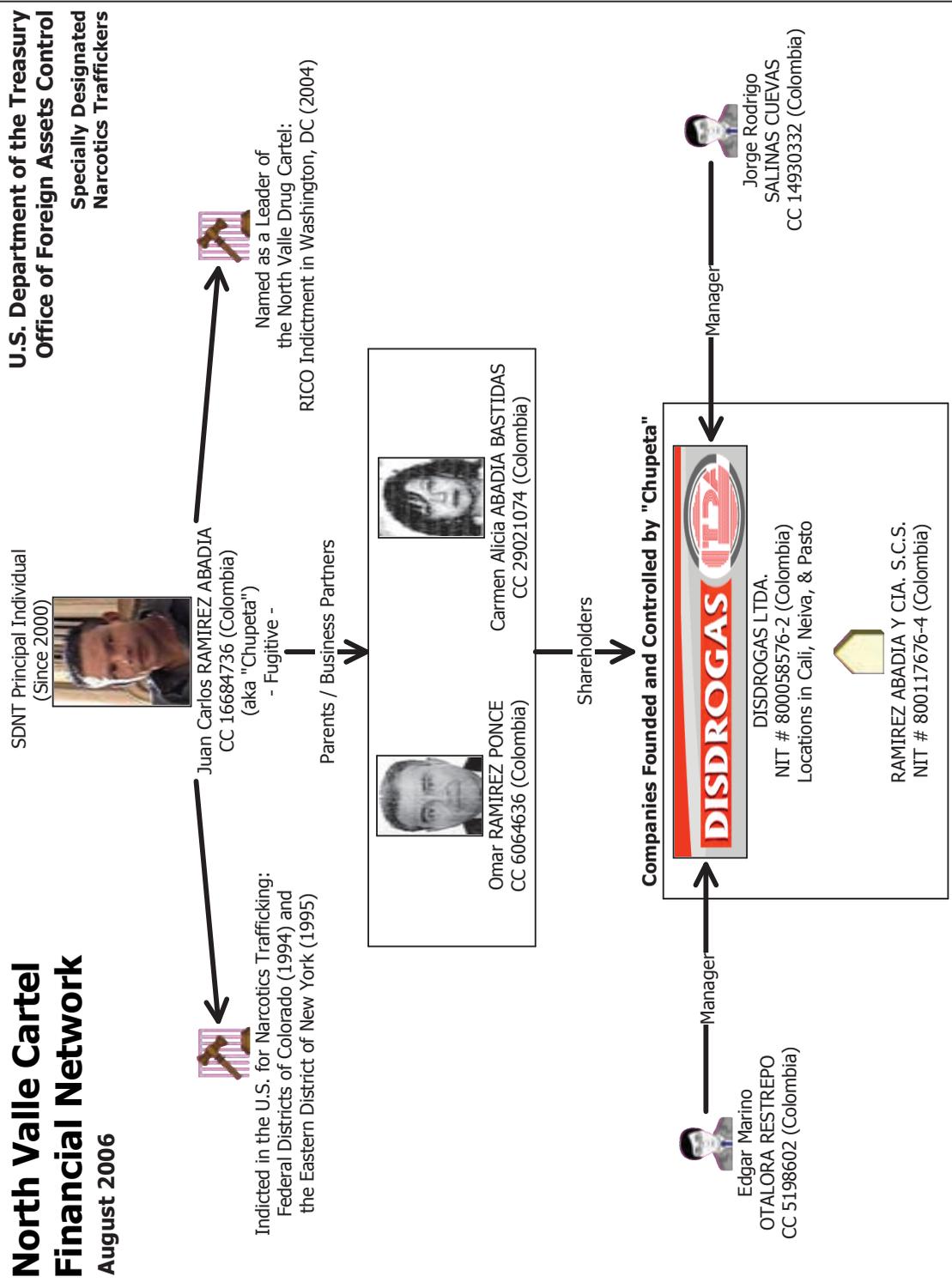
The assets of a total of 1,294 businesses and individuals in Aruba, Colombia, Costa Rica, Ecuador, Mexico, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, the Cayman Islands, and the United States have been designated by OFAC pursuant E.O. 12978. The 489 currently designated businesses include agricultural, aviation, consulting, construction, distribution, financial, horse breeding, hotels, investment, manufacturing, maritime, mining, offshore, industrial paper, pharmaceutical, real estate and service firms. The SDNT

list includes 19 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia.

**REPORTS**

- [North Valle Cartel's Financial Network.](#)







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October 25, 2006  
HP-151

### Treasury Targets North Valle Cartel's Next Generation of Leaders

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added two North Valle drug cartel leaders to its list of Specially Designated Narcotics Traffickers (SDNTs): Jhonny Cano Correa and Orlando Sabogal Zuluaga. OFAC also designated six entities and 16 individuals that have been controlled by or worked on behalf of the two North Valle cartel leaders. The designated individuals include rising North Valle drug trafficker Carlos Arturo Patiño Restrepo (a.k.a. "Patemuro").

"Treasury continues its relentless pursuit of the finances of Colombian drug traffickers. With the naming of Jhonny Cano Correa and Orlando Sabogal Zuluaga as principal narcotics traffickers, we have struck yet another blow against the North Valle drug cartel." said Adam Szubin, Director of OFAC.

Jhonny Cano Correa and Orlando Sabogal Zuluaga were indicted on drug trafficking and money laundering charges in the District Court for the Eastern District of New York in July 2003. Until 2004, Jhonny Cano Correa and Orlando Sabogal Zuluaga served as key lieutenants in the Luis Hernando Gomez Bustamante drug trafficking organization. Gomez Bustamante was a top leader of the North Valle drug cartel until his 2004 arrest while attempting to enter Cuba on a false passport. After Gomez Bustamante's arrest, Jhonny Cano Correa and Orlando Sabogal Zuluaga rose in the cartel to become leaders of their own drug trafficking organizations.

Jhonny Cano Correa is a violent drug trafficker, allegedly responsible for multiple murders. Colombian authorities arrested Jhonny Cano Correa in October 2005 and extradited him to the United States on September 22, 2006. Also designated is Jhonny Cano's principal holding company, *Cano Agudelo S en C*.

Orlando Sabogal Zuluaga remains a fugitive from justice, with the U.S. State Department offering up to \$5 million for information leading to his arrest. Today's action freezes the assets of Orlando Sabogal, several key family members, and their principal holding company, *Orlando Sabogal e Hijos & Cia S en C* in Colombia.

OFAC has also designated Carlos Arturo Patiño Restrepo ("Patemuro"), a rising North Valle cartel trafficker, who has been tied to SDNT principal individuals Luis Hernando Gomez Bustamante as well as Wilber Varela, one of Colombia's most wanted drug traffickers. Two Patiño Restrepo companies, located in Pereira, Colombia -- *Comercializadora de Café del Occidente Codecafe Ltda.* and *Inversiones Macarnic Patino y Cia S.C.S.* -- were also named today. Patiño Restrepo's designation makes clear that OFAC is targeting the next generation of Colombian drug traffickers.

Today's actions benefited greatly from the assistance of the U.S. Attorney's Office for the Eastern District of New York and the El Dorado Task Force, a DHS/ICE money laundering task force in New York. OFAC would particularly like to thank Assistant U.S. Attorney Bonnie Klapper for her invaluable support in this case.

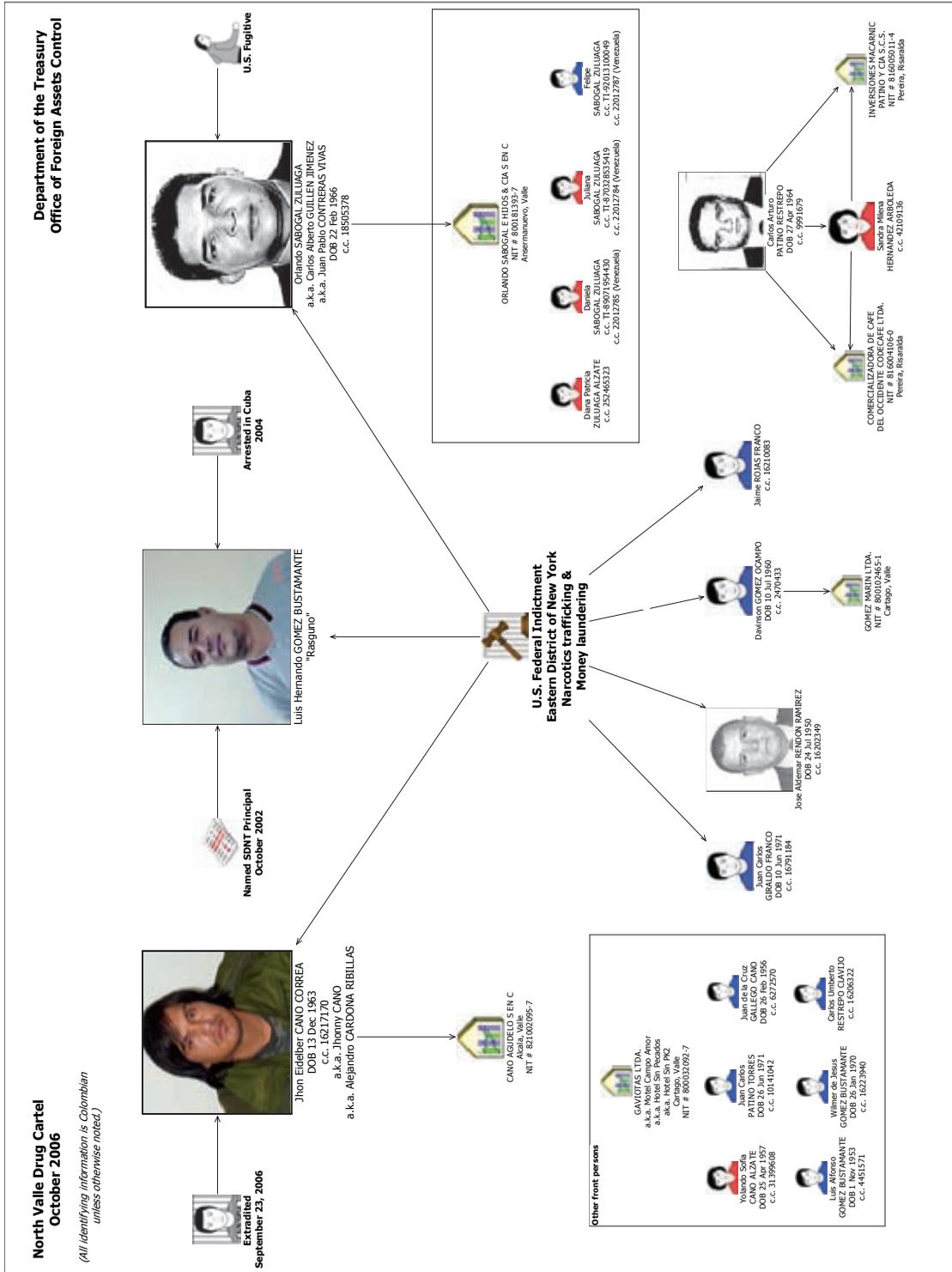
This action is part of an ongoing interagency effort to implement Executive Order

12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. This effort includes the Departments of Treasury, Justice, State, and Homeland Security. Today's action freezes any assets found in the United States or in possession or control of U.S. persons and prohibits all financial and commercial transactions between the designees and any U.S. person.

The assets of a total of 1,283 business and individuals in Aruba, Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, the Cayman Islands and the United States have been designated pursuant E.O. 12978. The 494 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms. The SDNT list now includes 21 principal narcotics traffickers from the Cali, North Valle and North Coast drug cartels in Colombia.

#### REPORTS

- [chart of today's designation.](#)





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October 31, 2006  
HP-148

### Treasury Acts Against Narco Leader's Front Companies, Cohorts

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated seven individuals and ten entities associated with North Valle drug cartel leader Carlos Alberto Renteria Mantilla (Beto Renteria). Today's designation is the fifth designation targeting Beto Renteria's financial network.

"Beto Renteria is one of Colombia's most powerful and sophisticated narcotics traffickers, investing his illicit proceeds across businesses in Colombia and offshore locations," said Adam Szubin, Director of the Office of Foreign Assets Control. "Today we have again taken aim at Beto Renteria's organization, exposing his web of front companies and targeting their assets."

Today's action targets a financial network of ten front companies and seven individuals that act for or on behalf of Renteria. The ten Colombian businesses identified today are four sugar companies: Agropecuaria Lindaraja S.A., Canaduz S.A., Inversiones Brasil S.A. and Tarritos S.A.; the soccer team Cortulua; the accounting firm Camacho Vallejo Asesores; the beach-front hotel Tres Casitas; and two medical clinics, Apoyos Diagnosticos S.A. and Clinica San Francisco S.A. All but one of the businesses is located in Colombia; the other, Kutry Management, is located in Panama. OFAC previously identified Renteria's business interests in the department store chain Casa Estrella and numerous Grupo Grajales companies.

The seven Colombian individuals designated today are front persons working on behalf of Beto Renteria in the named companies, including key front persons James Osorio Valencia and Ricardo Sandoval Salazar.

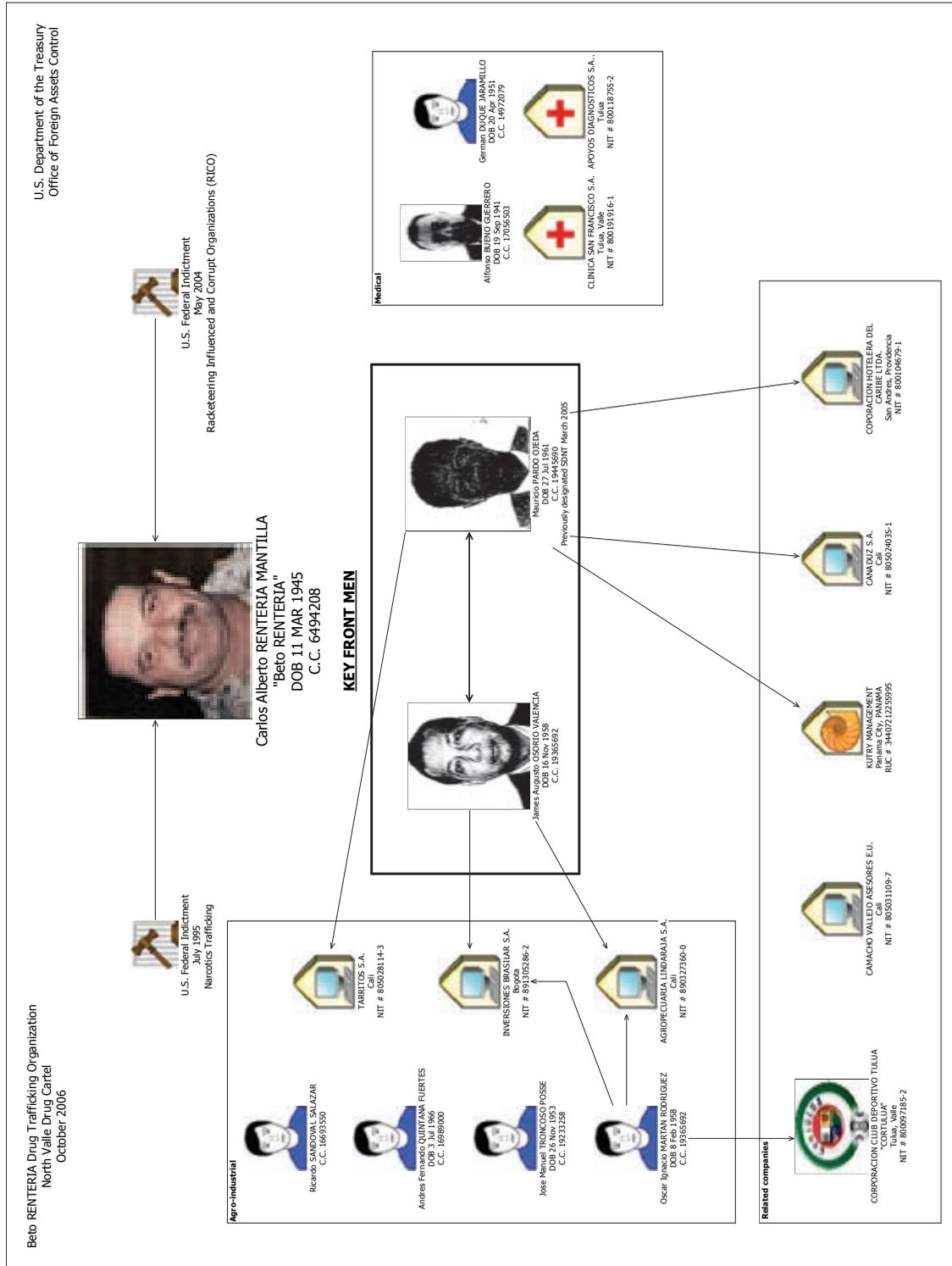
OFAC named Beto Renteria as a principal Specially Designated Narcotics Trafficker (SDNT) in March 2005, and the U.S. State Department is offering up to \$5 million for information leading to Beto Renteria's capture. In May 2004, the U.S. Attorney's Office for the District of Columbia identified Beto Renteria as one of the leaders of the North Valle drug cartel and charged the cartel with violations of the Racketeer Influenced and Corrupt Organizations Act (RICO).

This action is part of an ongoing interagency effort to implement Executive Order 12978, signed on October 21, 1995, which applies economic sanctions against Colombia's drug cartels. This effort includes the Departments of the Treasury, Justice, State and Homeland Security. Today's action freezes any assets found in the United States and prohibits all financial and commercial transactions by any U.S. person with the designees.

OFAC has designated a total of 1300 businesses and individuals in Aruba, Colombia, Costa Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, the Cayman Islands and the United States pursuant E.O. 12978. The 504 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, real estate and service firms. The SDNT list includes 21 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia.

### REPORTS

- [View the Designation Chart](#)





***United States Attorney  
Southern District of New York***

**FOR IMMEDIATE RELEASE  
NOVEMBER 16, 2006**

**CONTACT: U.S. ATTORNEY'S OFFICE  
SOUTHERN DISTRICT OF NEW YORK  
LAUREN McDONOUGH, YUSILL SCRIBNER  
PUBLIC INFORMATION OFFICE  
(212) 637-2600**

**U.S. ATTORNEY'S OFFICE  
SOUTHERN DISTRICT OF FLORIDA  
ALICIA VALLE  
SPECIAL COUNSEL TO THE U.S. ATTORNEY  
(305) 961-9153**

**CALI CARTEL LEADERS PLEAD GUILTY TO LAUNDERING  
COCAINE PROCEEDS THROUGH PHARMACEUTICAL DRUG COMPANIES**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and R. ALEXANDER ACOSTA, the United States Attorney for the Southern District of Florida, announced today the guilty pleas of GILBERTO RODRIGUEZ-OREJUELA and MIGUEL ANGEL RODRIGUEZ-OREJUELA, brothers and the leaders of the notorious Cali Cartel in Colombia, to money-laundering charges. Under the terms of a plea agreement with the United States Government, the RODRIGUEZ-OREJUELA brothers previously pleaded guilty to an Indictment filed in the Southern District of Florida (the "SDFL Indictment") charging them with importing tons of cocaine into the United States. The agreement also called for the brothers to plead guilty to an Indictment initially filed in the Southern District of New York (the "SDNY Indictment") charging them with money-laundering crimes. The guilty pleas to the SDNY Indictment were entered today before Judge FEDERICO A. MORENO of the United States District Court for the Southern District of Florida.

As alleged in both the SDNY and the SDFL Indictments, GILBERTO and MIGUEL ANGEL RODRIGUEZ-OREJUELA once controlled a powerful Colombian narcotics-trafficking organization based in Cali, Colombia (the "Cali Cartel"). In their previous guilty pleas to the SDFL Indictment, the defendants admitted to importing more than 200 tons of cocaine into the United States for resale.

As alleged in the SDNY Indictment, in order to insulate the illicit fortune of the Cali Cartel from law enforcement

detection and seizure, GILBERTO RODRIGUEZ-OREJUELA, MIGUEL ANGEL RODRIGUEZ-OREJUELA, and their criminal associates invested millions of dollars of the Cali Cartel's cocaine proceeds in ostensibly legitimate companies, including companies involved in the production and sale of pharmaceutical drugs. Although GILBERTO and MIGUEL ANGEL RODRIGUEZ-OREJUELA were initially identified in public documents in Colombia as partners in several of the companies, they subsequently attempted to conceal their continuing ownership and control of these companies to protect their illicit assets from seizure by law enforcement authorities. As part of their efforts at concealment, the RODRIGUEZ-OREJUELA brothers allegedly arranged for their companies to be held under the names of family members or trusted associates when, in fact, the companies continued to be controlled by the defendants.

On October 21, 1995, President CLINTON, pursuant to the authority granted by, among other things, the International Emergency Economic Powers Act, Sections 1701 to 1706 of Title 50 of the United States Code, signed Executive Order 12978, entitled "Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers." In the Order, President CLINTON declared a national emergency based on the threat posed to the United States by significant narcotics traffickers centered in Colombia; applied economic sanctions against, among others, GILBERTO RODRIGUEZ-OREJUELA and MIGUEL ANGEL RODRIGUEZ-OREJUELA; and delegated the enforcement and regulation of the economic sanctions to the Treasury Department's Office of Foreign Asset Control ("OFAC").

Based on the continuing threat posed to the United States by significant narcotics traffickers centered in Colombia, on about October 19, 2001, President BUSH continued the national emergency declared in Executive Order 12978. From October 21, 1995 to the present, OFAC has persisted in applying economic sanctions against numerous companies effectively controlled by GILBERTO and MIGUEL ANGEL RODRIGUEZ-OREJUELA and against other criminal associates of the Cali Cartel.

As charged in the SDNY Indictment, between about October 21, 1995 and the present, in an attempt to protect their assets and to evade OFAC sanctions, and in violation of United States law, GILBERTO RODRIGUEZ-OREJUELA, MIGUEL ANGEL RODRIGUEZ-OREJUELA, and their associates removed their names from companies that had been sanctioned by OFAC. In addition, after the companies themselves were subsequently sanctioned by OFAC, GILBERTO and MIGUEL ANGEL RODRIGUEZ-OREJUELA, with the assistance of others, established "new" or "re-organized" companies to replace the previously-sanctioned companies. In fact, these

"new" or "re-organized" companies simply assumed the assets and continued to perform the services of the previously sanctioned companies and often had the same management and physical business locations. After the "new" or "re-organized" companies were formed to protect their assets and to evade OFAC sanctions, GILBERTO and MIGUEL ANGEL RODRIGUEZ-OREJUELA then named additional family members and trusted associates who had not been sanctioned by OFAC to manage the companies. Between about March 2002 and January 2003, the RODRIGUEZ-OREJUELA brothers were involved in transferring approximately \$1.5 million in funds controlled by pharmaceutical drug companies through bank accounts in New York, New York.

Immediately following their guilty pleas today, Judge MORENO sentenced GILBERTO and MIGUEL RODRIGUEZ-OREJUELA, 67 and 62 years old, respectively, to 87 months' imprisonment on the money-laundering charges, to run concurrently with the sentence of 360 months' imprisonment he previously imposed on the cocaine-trafficking charges in the SDFL Indictment.

The charges in the SDNY Indictment were the result of a joint Organized Crime Drug Enforcement Task Force ("OCDETF") investigation entitled "Operation Dynasty" which involved the United States Attorney's Office for the Southern District of New York, the United States Drug Enforcement Administration ("DEA"), OFAC, the Colombian National Police ("CNP"), and the Colombian Fiscalia Money Laundering Section.

Mr. GARCIA praised the investigative efforts of the DEA, OFAC, the CNP, and the Colombian Fiscalia Money Laundering Section and thanked the U.S. Attorney's Office in the Southern District of Florida for its cooperation in this matter.

Operation Dynasty is being prosecuted by the Office's International Narcotics Trafficking Unit. Assistant United States Attorneys BOYD M. JOHNSON III, GLEN G. MCGORTY, and KEVIN R. PUVALOWSKI are in charge of the prosecution.

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November 28, 2006  
HP-179

### Treasury Targets Drug Cartel Assets in Colombia and Offshore Havens

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today added five Colombian individuals and twenty-two entities to its list of Specially Designated Narcotics Traffickers (SDNTs) for their ties to the North Valle drug cartel.

"Today's action levies financial sanctions against another group of previously-concealed entities and individuals operating on behalf of the North Valle cartel," said Adam Szubin, Director of the Office of Foreign Assets Control. "OFAC will continue to dismantle the cartel's financial empire and expose its willing collaborators."

The five Colombian individuals act as front persons for the North Valle drug cartel leader Raul Grajales Lemos (Raul Grajales), and one of the individuals is also associated with North Valle leader Carlos Alberto "Beto" Renteria (Beto Renteria). Today's action is the sixth designation against the financial network of Raul Grajales and Beto Renteria.

One of the individuals named today, Abdala Saieh Jassir has served as a front person for Raul Grajales and Beto Renteria since 1988. He is the father of SDNT Moises Abdal Saieh Muvdi, who was designated by OFAC on June 13, 2006, and is currently in Colombian custody on money laundering charges. Abdala Saieh Jassir has also operated as the manager of Confecciones Lord S.A., an SDNT entity that supplies goods to Casa Estrella, a designated Colombian department store chain owned by Raul Grajales and Beto Renteria. The remaining four individuals designated today, Gloria Elena Fajardo Hernandez, Piedad Rocio Sanchez Candelo, Sandra Milena Prieto Santiago and Hector Leon, have played key roles in managing companies controlled by Raul Grajales.

Twenty-two companies controlled by Raul Grajales and/or Beto Renteria have also been designated today as SDNTs. Five of these companies are run by SDNTs Moises Abdal Saieh Muvdi, Carlos Ernesto Saieh Jamis and Abdala Saieh Jassir, who have worked for or on behalf of Beto Renteria and Raul Grajales for well over a decade. These five entities form a part of the international financial network of Raul Grajales and Beto Renteria, and are located in Barbados, the British Virgin Islands, the Cayman Islands and Panama. The remaining seventeen companies are controlled by Raul Grajales and encompass a wide range of services including agricultural, consulting, telecommunications, car rental, retail, accessory manufacturing, publishing, construction, agricultural products, agricultural research and education and the exportation of products.

This action is part of an ongoing interagency effort to expose, isolate, and disrupt Colombia's drug cartels by means of economic sanctions pursuant to Executive Order 12978. This effort involves the Departments of the Treasury, Justice, State and Homeland Security. Today's action freezes any assets of the designees found in the United States and prohibits all financial and commercial transactions by any U.S. person with the designees.

The assets of a total of 1327 businesses and individuals have been designated pursuant to E.O. 12978, in the United States, Aruba, Barbados, Colombia, Costa

Rica, Ecuador, Panama, Peru, Spain, Vanuatu, Venezuela, the Bahamas, the British Virgin Islands, and the Cayman Islands. The 526 SDNT businesses include agricultural, aviation, consulting, construction, distribution, financial, investment, manufacturing, mining, offshore, pharmaceutical, publishing, real estate, retail, service and telecommunication firms. The SDNT list includes 21 kingpins from the Cali, North Valle and North Coast drug cartels in Colombia.

#### REPORTS

- [Please find attached a chart of today's designation.](#)

