White Collar Defense and Investigations

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Treasury Targets Mexican Financial Institutions Linked to Cartels Using New Fentanyl Sanctions Authority

On June 25, 2025, the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) issued orders identifying three Mexican financial institutions as being of primary money laundering concern in connection with illicit opioid trafficking (the Orders). The action — taken under recently granted authorities in the Fentanyl Sanctions Act and the FEND Off Fentanyl Act (specifically under 21 U.S.C. § 2313a) — is the latest of the Trump administration's broader multiagency national security efforts targeting drug cartels and transnational criminal organizations (TCOs) and demonstrates that these efforts affect financial institutions and other industry actors in addition to the cartels themselves. For other recent actions targeting drug cartels and TCOs, please see our May and March client alerts.

Key Designations

FinCEN identified two Mexican banks and one Mexican broker-dealer for their alleged role in facilitating opioid trafficking by Mexico-based cartels.

The Orders were based, in the case of the two banks, on "long-standing patterns of associations, transactions, and the provision of financial services that facilitate illicit opioid trafficking by Mexico-based cartels" and, in the case of the broker-dealer, on its "facilitation of money-laundering activities of Mexico-based cartels." As a result of the Orders, U.S. financial institutions will generally be prohibited from engaging in any transmittal of funds — *i.e.*, sending and receiving funds, including convertible virtual currency — to or from these identified Mexican financial institutions. The restrictions go into effect 21 days after the Orders' June 30, 2025, publication date in the Federal Register, thus July 21, 2025.

On June 26, 2025, the Governing Board of the Mexican Banking and Securities Commission (CNBV, for Comision Nacional Bancaria y de Valores) responded by ordering a temporary intervention in the management of the two banking institutions and the broker-dealer. The CNBV plans to replace the administrative bodies and legal representatives of the three financial institutions to safeguard the rights of depositors and creditors of the institutions, given the impact that the measures may have on the banks' ability to do business.

FinCEN Authority Under 21 U.S.C. § 2313a

These actions are the first taken under Section 2313a, pursuant to which the Treasury Department has the authority to find that "reasonable grounds exist for concluding" that financial institutions operating outside of the U.S., or classes of transactions or types of accounts involving a jurisdiction outside of the U.S., are a "primary money laundering concern." Once it makes such a determination, Treasury may impose one or more "special measures," which are specific restrictions or requirements placed on U.S. financial institutions with respect to the designated financial institution, class of transactions or type of accounts and are intended as safeguards to protect the U.S. financial system from money laundering risks connected to illicit opioid trafficking.

The authorities pursuant to which FinCEN took the June 25 actions are similar to authorities that FinCEN has used in the past to identify foreign financial institutions as posing a "primary money laundering concern":

- Section 311 of the USA PATRIOT Act has been used to impose special measures with respect to financial institutions, classes of transactions or types of accounts found to be of "primary money laundering concern."
- Section 9714 of the National Defense Authorization Act for Fiscal Year 2021 has been used to impose special measures more specifically when an entity is identified as being of "primary money laundering concern" in connection with Russian illicit finance.

Looking Ahead

The FinCEN actions mark a significant escalation in the use of the Treasury Department's tools to address the opioid crisis and transnational criminal threats. They also reflect the growing convergence of national security, white collar enforcement, sanctions and anti-money laundering priorities across multiple U.S. agencies. Although FinCEN's June 25, 2025, action is the first under Section 2313a, it is unlikely to be the last.

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