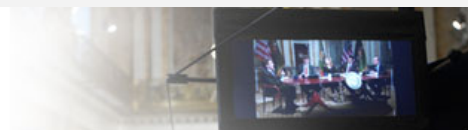


U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Under Secretary for Terrorism and Financial Intelligence David S. Cohen on the Presidential Strategy to Combat Transnational Organized Crime

7/25/2011

As Prepared for Delivery

It is my great privilege to be here today to help unveil the President's Strategy to Combat Transnational Organized Crime.

As we all know, the United States and many other countries have prospered greatly from globalization, free markets and financial integration.

But there is also a dark side to globalization. While the world now seems smaller, and commerce and transactions have become freer and faster, transnational criminal organizations have exploited these advancements to expand their operations and influence and to evade justice. As our global economy and financial systems have grown more sophisticated and interdependent, they also have become more vulnerable to criminal organizations and their illicit financial activities.

One of the Treasury Department's core duties is to safeguard and protect the U.S. economy and financial system from abuse by all those who would seek to harm it, manipulate it, or undermine its integrity – including transnational criminal organizations. This is the foundation of Treasury's national security mission.

To fulfill this mission, Treasury pursues a multi-faceted strategy – including efforts to identify and address vulnerabilities in the financial system and leverage financial information and intelligence to take targeted and powerful action against those who threaten our financial system.

The Strategy we are announcing today will provide new impetus, and new tools, for the Treasury Department's efforts. One key part of the Strategy is an Executive Order signed by President Obama that provides new powers to attack the threat that significant transnational criminal organizations pose to our national security, foreign policy and economy.

The Treasury Department is employing these new powers by implementing sanctions today against four significant transnational criminal organizations:

First, the Brothers' Circle, also known as the Moscow Center, which is a multi-ethnic criminal group composed of leaders and senior members of several criminal organizations largely based in countries of the former Soviet Union. Many Brothers' Circle members share a common ideology based on the "thief-in-law" tradition, which seeks to spread their brand of criminal influence around the world.

Second, the Camorra, which is a very large Italian organized crime group earning roughly \$25 billion each year from illicit activities. It operates internationally and engages in serious criminal activity such as counterfeiting, smuggling pirated goods, and drug trafficking.

Third, the Yakuza of Japan, with an estimated 80,000 members, engages in serious criminal activities, including narcotics and weapons trafficking and a variety of white-collar crimes. The Yakuza uses front companies to hide illicit proceeds within legitimate industries, including construction, real estate, and finance.

And finally, an already a designated drug kingpin organization, Los Zetas, is an extremely violent transnational criminal organization based in Mexico. Los Zetas transports large amounts of illegal narcotics through Mexico into the United States and is responsible for numerous murders both in Mexico and in the United States, including of members of U.S. law enforcement.

Sophisticated, transnational criminal organizations like these engage in a wide variety of serious criminal, revenue-generating activity. Their integration into the financial and commercial system makes them ideal targets for economic and financial sanctions.

With this new Executive Order, Treasury has the authority to go after the economic power of transnational criminal networks – and those individuals and entities who work with them, enable them, and support them – by freezing any assets they may have within the United States, prohibiting any transactions through the U.S. financial system and making it a crime for any U.S. person to engage in any transactions with them.

In addition to the new Executive Order, the President's Strategy also includes a commitment to work with Congress to adopt legislation that would require disclosure of beneficial ownership information in the company formation process. If enacted, this legislation would facilitate the transparency of the financial system and enhance the effectiveness of our new Executive Order by making it more difficult for criminal organizations to hide behind front companies and shell corporations.

I'd like to express my gratitude to John Brennan for driving this initiative, and to our colleagues across the government – particularly at the Departments of Justice, State and Homeland Security – who played critical roles in the development of this Executive Order and will be key partners as we go forward.

Transnational criminal organizations are principally motivated by financial gain. That is a major vulnerability that the new Executive Order – and the broader Strategy – will allow us to exploit, striking at the heart of their economic power.

Thank you.