

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Sanctions Network of Slovenian Steroid Trafficker Mihael Karner

2/24/2015

WASHINGTON – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today announced the designation of five individuals and 14 entities as Specially Designated Narcotics Traffickers (SDNTs) pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act) for their role in the international steroid trafficking organization led by Slovenian national, Mihael Karner. Karner was named by the President as a significant foreign narcotics trafficker pursuant to the Kingpin Act on May 31, 2013. As a result of today's action, all assets within U.S. jurisdiction of those designated are frozen, and U.S. persons are generally prohibited from engaging in transactions with them.

"With today's action against the network of Mihael Karner, we are targeting key associates and front companies of a powerful and resilient international steroids trafficking organization," said John E. Smith, Acting Director of the Office of Foreign Assets Control (OFAC). "This action emphasizes our commitment to target powerful drug trafficking organizations worldwide and their money laundering support networks."

Mihael Karner, his wife Alenka Karner (Alenka), and his brother Matevz Karner (Matevz) were indicted in March 2010 in the U.S. District Court of Massachusetts on charges of conspiracy to launder money, conspiracy to distribute controlled substances, and conspiracy to import controlled substances into the United States. Karner, Alenka, and Matevz were arrested in Austria in 2011, but were later released on bail and then fled Austria. The three co-conspirators have continued to control the steroid trafficking operation as fugitives. In addition to Karner, Alenka, and Matevz, Treasury is designating three key associates of the Karner organization: Uros Slivnik, Alenka's cousin and a trusted associate of Karner, and two front men, Dejan Donko and Savo Stjepanovic. All five individuals named today are being designated for materially supporting Karner's international narcotics trafficking activities or acting for or on behalf of Karner.

The Karner criminal organization relies on a sophisticated international network of shell companies to launder illicit steroid proceeds generated through the internet sale of the drugs. According to the unsealed U.S. indictment, Karner has received over \$50,000,000 in illicit proceeds through his drug trafficking activities. Treasury's action today names 14 companies that are owned, controlled, or directed by Karner or other individuals named today ([view chart](#)  for details). The companies, which are located worldwide, including in Slovenia, Panama, the Republic of Seychelles, Gibraltar, Liechtenstein, the Commonwealth of Dominica, and Belize, receive payments from Karner's steroid sales as part of the organization's laundering of illicit proceeds and for the purchase of assets worldwide.

Today's action follows a lengthy investigation led by the Financial Investigations Team of the Drug Enforcement Administration's (DEA) New England Field Division.

"The success of this investigation was a direct result of the hard work and dedication of the DEA New England Field Division's Financial Investigation Team and our law enforcement partners," said DEA Acting Special Agent in Charge Michael J. Ferguson. "The DEA New England Field Division is committed to targeting large-scale criminal organizations, using all our enforcement resources."

Since June 2000, more than 1,700 entities and individuals have been named pursuant to the Kingpin Act for their role in international narcotics trafficking. Penalties for violations of the Kingpin Act range from civil penalties of up to \$1.075 million per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines up to \$5 million. Criminal fines for corporations may reach \$10 million. Other individuals could face up to 10 years in prison and fines pursuant to Title 18 of the United States Code for criminal violations of the Kingpin Act.

###

