

Treasury Sanctions Music Promoter and Prostitution Ring Leader Linked to Mexican Cartels

April 6, 2018

OFAC Designates High-Profile Individuals Acting on Behalf of CJNG, Los Cuinis Drug Trafficking Organizations in Blow to Cartels' Money Laundering Operations

Washington – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated two individuals acting on behalf of Mexican drug cartels for their roles facilitating money laundering and an international prostitution ring. OFAC designated Mexican music promoter Jesus Perez Alvear as a Specially Designated Narcotics Trafficker (SDNT) pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act) for laundering money on behalf of the powerful Cartel de Jalisco Nueva Generacion (CJNG) and the Los Cuinis Drug Trafficking Organization (Los Cuinis DTO). OFAC also designated Venezuelan-Italian fashion photographer Miguel Jose Leone Martinez, who helps lead an international prostitution ring associated with the Los Cuinis DTO.

“Treasury is targeting individuals who work on behalf of violent Mexican drug kingpins, and support their opulent lifestyles by trafficking deadly drugs into the United States,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “Our designation of Jesus Perez Alvear exposes his role helping CJNG and Los Cuinis exploit the Mexican music industry to launder drug proceeds and glorify their criminal activities. We are targeting fashion photographer Miguel Jose Leone who leads an international prostitution ring that recruits models and beauty pageant contestants from South America and Europe into prostitution for senior members of the Los Cuinis DTO.”

These sanctions apply continued pressure to those allied with Mexican drug trafficking organizations CJNG and Los Cuinis, which OFAC designated on April 8, 2015 along with their leadership. As a result of today's action, any assets in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of the SDNTs or other blocked persons.

The first individual designated today, Jesus Perez Alvear (a.k.a. “Chucho Perez”), is a Mexican music promoter who launders narcotics proceeds through Mexican concerts on behalf of CJNG and the Los Cuinis DTO, which are led by Nemesio Oseguera Cervantes (a.k.a. “Mencho”) and Abigael Gonzalez Valencia, respectively, both of whom were designated in April of 2015. Chucho Perez has close ties to the family of Gonzalez Valencia, and focuses primarily on promoting concerts staged during large Mexican fairs, such as those held in Aguascalientes and Metepec. Chucho Perez uses violence to obtain concessions to operate these concerts under the name of his music promotion business, Gallistica Diamante (a.k.a. Ticket Premier). This business was also designated today. Chucho Perez launders drug proceeds belonging to CJNG and the Los Cuinis DTO by comingling them with legitimate revenues generated from the sale of tickets, refreshments, parking, and other items. Chucho Perez often promotes musical acts known for singing narcocorridos, or ballads that glorify drug traffickers and their illicit activities. Some of these acts have ties to drug trafficking organizations. For example, he has promoted Julio Cesar Alvarez Montelongo (a.k.a. Julion Alvarez), a Mexican singer designated by OFAC on August 9, 2017 because of his links to the Flores Drug Trafficking Organization, which is allied with CJNG and the Los Cuinis DTO.

The second individual designated today is Miguel Jose Leone Martinez (a.k.a. Miguel Leone), who is a dual Venezuelan-Italian citizen resident in Mexico and associate of Chucho Perez. Miguel Leone, who purports to be a fashion photographer, actually helps lead an international prostitution ring on behalf of the Los Cuinis DTO. Mexican authorities arrested Miguel Leone with Los Cuinis DTO leader Gonzalez Valencia in Mexico in February 2015 but released Leone approximately one year later. Leone uses his role as a fashion photographer to recruit models and beauty pageant contestants from South America and Europe to serve as prostitutes for Gonzalez Valencia and other senior members of the Los Cuinis DTO.

In March 2014, based on an investigation led by the Los Angeles Field Division of the Drug Enforcement Administration (DEA), a federal grand jury in the U.S. District Court for the District of Columbia indicted brothers-in-law Gonzalez Valencia and Oseguera Cervantes, on several charges, including being the principal leaders of a Continuing Criminal Enterprise. Gonzalez Valencia was captured in Mexico in late February 2015, but Oseguera Cervantes remains a fugitive.

OFAC coordinated closely with the following agencies in order to execute today’s action: DEA, the Federal Bureau of Investigation, and U.S. Customs and Border Protection.

Since June 2000, more than 2,000 individuals and entities 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 \$1,466,485 per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines of 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.

[For more information on the individuals and entities designated today.](#)

[View the Kingpin Act chart on individuals and entities designated today](#) .

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