

Treasury Sanctions Drug Trafficking and Money Laundering Network Led by Former Senior Venezuelan Intelligence Official

May 7, 2018

Washington – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) identified Venezuelan national Pedro Luis Martin Olivares (Martin) as a significant foreign narcotics trafficker pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act). Additionally, OFAC designated Walter Alexander Del Noyal Marquez (Del Noyal) and Mario Antonio Rodriguez Espinoza (Rodriguez) for materially assisting in, or providing financial or technological support for or to, or providing goods or services in support of, the international narcotics trafficking activities of Martin. OFAC further designated 20 companies in Venezuela and Panama that are owned or controlled by these three individuals.

“This action is in response to Martin’s extensive drug trafficking and money laundering activities. Systemic corruption and a collapse in the rule of law are defining features of Venezuela’s government,” said Secretary of the Treasury Steven T. Mnuchin. “We will deny corrupt Venezuelan regime officials access to the US financial system as we work with international partners to support the Venezuelan people in restoration of democracy and a return to prosperity.”

As a result of today’s action, any assets in which these persons have an interest 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 dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked persons.

Martin is a former Chief of Financial Intelligence for Venezuela’s National Directorate of Intelligence and Prevention Services (DISIP), which is now known as the Bolivarian National Intelligence Service (SEBIN). On April 24, 2015, Martin was indicted by a grand jury in the Southern District of Florida for willfully conspiring to distribute a controlled substance into the United States and possession with intent to distribute a controlled substance on board an aircraft registered in the United States.

Martin exploited his government position and accepted bribes from drug traffickers operating in Venezuela and Colombia as part of a broader scheme to facilitate the movement of narcotics

from and through Venezuelan airspace; specifically, Martin shut down military radar and bribed other Venezuelan officials in furtherance of these activities. Martin also facilitated the movement of cocaine into Venezuela and paid Venezuelan military officials on Venezuela's border with Colombia, allowing Martin's associates to sell the cocaine to other drug trafficking organizations and corrupt Venezuelan officials. Martin has worked closely with other Venezuelan government officials to launder narcotics proceeds and other illicit funds, including Hugo Armando Carvajal Barrios, who was designated by OFAC on September 12, 2008 as a Specially Designated Narcotics Trafficker pursuant to the Kingpin Act.

Martin has facilitated the movement of multi-ton loads of cocaine and uses a number of money laundering methods, including the movement of U.S. dollars in bulk by aircraft, couriers, and contracts with third parties.

Del Nogal is one of Martin's partners, and helps Martin with drug distribution and money movements to Europe as well as laundering illicit narcotics proceeds out of Venezuela. Rodriguez is Martin's top associate and right-hand man in Venezuela. Rodriguez helps Martin use their businesses to launder illicit proceeds from narcotics trafficking and extortion out of Venezuela.

Of the 20 companies designated today, 16 are based in Venezuela while the remaining four are located in Panama. These companies are allegedly used to launder illicit proceeds from both narcotics trafficking and extortion, and purportedly engage in a range of activities, including private security, transportation, installation of electronics, real estate, construction, finished oil products, consulting, and financial services.

Today's OFAC designation was conducted in close coordination with the Drug Enforcement Administration and Customs and Border Protection's National Targeting Center.

Since June 2000, more than 2,100 individuals and entities have been designated pursuant to the Kingpin Act for their role in international narcotics trafficking activities. 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 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.

[Identifying information on the individuals designated today.](#)

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

[More information about the Kingpin Act.](#)

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