

# Treasury Sanctions Argentina-based Goldpharma

May 23, 2019

## *Goldpharma network of illegal online pharmacies traffics opioids to the United States*

**Washington** – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) identified the Argentina-based Goldpharma Drug Trafficking and Money Laundering Organization (Goldpharma DTO/MLO) as a significant foreign narcotics trafficker pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act). OFAC also designated eight Argentine nationals for their role in the Goldpharma DTO/MLO, as well as nine entities located in Argentina, Colombia, Canada, the United Kingdom, and the Netherlands.

“Treasury’s action alongside our Argentine counterparts to shut down the Goldpharma network is part of this administration’s broader strategy to combat the synthetic opioid crisis, and to prevent narcotics traffickers from selling these deadly drugs in the United States,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “The Goldpharma network illustrates the sophisticated tactics drug traffickers and money launderers use to capitalize on the Internet and online pharmacy sites to sell highly addictive illicit narcotics around the world. This action leverages Treasury’s unique tools to disrupt the complex global financial and logistics networks that drug kingpins rely on, and complements the efforts of our law enforcement partners who work relentlessly to combat these threats.”

As a result of today’s action, all property and interests in property of the designated persons 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.

The 2019 U.S. National Drug Control Strategy, produced by the Office of National Drug Control Policy (ONDCP), highlights the need to address the role of DTOs in fueling the current opioid abuse epidemic in the United States, noting that “[w]hile DTOs often are involved in poly-drug trafficking and other criminal activity, the unprecedented rise in deaths from the opioid crisis demands that we prioritize U.S. government efforts on the individuals and groups involved in the smuggling and sale of the most deadly drugs such as synthetic opioids and heroin.” The

2019 ONDCP strategy also makes note of the role of the Internet — both the clear web and the dark web — in providing a platform for such drug sales.

The Goldpharma DTO/MLO, while physically based in Buenos Aires, Argentina, operates virtually, via a network of online “pharmacy” websites, which sell both legitimate and clandestinely produced Schedule II and Schedule IV narcotics to customers (including Oxycodone, Hydrocodone, and Tramadol), without a prescription. Goldpharma sells the vast majority of its illicit opioids to customers located in the United States.

Five of the Argentine individuals designated today have been indicted in the U.S. District Court for the Eastern District of Wisconsin for their role in the Goldpharma DTO: Conrado Adolfo Frenzel, Jorge Alejandro Paura, Luciano Brunetti, Lucas Daniel Paura, and Santiago Videmato.

“The levels of addiction and overdose deaths caused by opioids in the U.S. are unacceptable,” said Matthew D. Krueger, United States Attorney for the Eastern District of Wisconsin. “The opioid epidemic is being driven by illegal drug trafficking not only on street corners but also through the Internet. This prosecution underscores the federal government’s commitment to work with international partners like Argentina to shut down drug trafficking online. We commend OFAC for taking action against the Goldpharma drug trafficking organization and preventing it from benefitting from the proceeds of its crimes.”

In addition, the OFAC action targets Argentine nationals Sergio David Ferrari, Gaston Tomaghelli, and Roberto Javier Perez Santoro for their involvement in Goldpharma’s money laundering activities. Ferrari operates a network of entities in multiple countries, known collectively as the “Smile Group,” which funnels the proceeds of Goldpharma’s narcotics sales back to Argentina. Several of the entities belonging to the “Smile Group” were designated today, including Smile Technologies S.A. (registered in Argentina), SmileWallet S.A.S. (registered in Colombia), Smile Property & Travel Ltd. (registered in the United Kingdom), Smile Technologies Canada Ltd. (registered in Canada), and SmileWallet B.V. (registered in the Netherlands).

Seven U.S. companies owned or controlled by designated members of Goldpharma have also been blocked as part of today’s action. These entities include two companies registered in Delaware: SmilePayments LLC and Oyster Investments LLC; three companies registered in Texas: Smilewallet, LLC, Smile Property & Travel Ltd., and Smile Technologies S.A. LLC; and two companies registered in Florida: La Florida Investments Group LLC and Water Hill Corp.

As a result of today's action, four condominiums in the Miami, Florida area tied to Oyster Investments LLC have also been blocked.

OFAC closely coordinated within Treasury with the Internal Revenue Service (IRS) and the Financial Crimes Enforcement Network (FinCEN), and with the Department of Justice, the Drug Enforcement Administration (DEA), and the Government of Argentina in order to execute today's action.

"This announcement illustrates the ongoing collaboration between the Drug Enforcement Administration and our law enforcement partners to unmask these transnational drug trafficking organizations who hide behind computers in order to profit from the opioid crisis. These OFAC sanctions are an essential tool in disrupting the financial abilities of these entities," said DEA Special Agent in Charge Brian M. McKnight.

"IRS-Criminal Investigation (CI) is committed to using our forensic accounting skills to assist in complex fraud and financial schemes," said IRS-CI Special Agent in Charge Gabriel Grchan. "We are proud to work with our law enforcement partners to help investigate individuals, and to help put a stop to this and other types of illegal activity."

Since June 2000, more than 2,200 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 sanctions 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.](#)

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

[Information about the Kingpin Act.](#) 

####