WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated Sergio Armando Orozco Rodriguez (a.k.a. “Chocho”) pursuant to Executive Order (E.O.) 14059. This individual acts for or on behalf of the Cartel de Jalisco Nueva Generacion (CJNG) by facilitating various illicit activities in Puerto Vallarta, Jalisco, Mexico. CJNG, a violent Mexico-based organization, traffics a significant proportion of the fentanyl and other deadly drugs that enter the United States. Today’s action is the result of a collaboration between OFAC, the U.S. Drug Enforcement Administration (DEA), and the Government of Mexico. Additionally, U.S. Customs and Border Protection provided support to this case.

“Individuals like Sergio Armando Orozco Rodriguez help CJNG infiltrate the economy of Puerto Vallarta and intimidate legitimate businesses,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. “The cartel uses this renowned tourist destination as a strategic stronghold not only for drug trafficking but also money laundering, extortion, kidnappings, and assassinations. Treasury will continue working with U.S. partners and the Mexican government to expose and disrupt CJNG, from its leadership to its facilitators.”

Sergio Armando Orozco Rodriguez (Orozco Rodriguez), a Mexican national, was designated because he is directed by, or has acted or purported to act for or on behalf of, directly or indirectly, CJNG. He resides in Puerto Vallarta, where he engages in various illicit activities on behalf of CJNG. Orozco Rodriguez launders drug proceeds on behalf of CJNG and has links to some of its most senior members. Additionally, Orozco Rodriguez facilitates CJNG’s extortion schemes in the Puerto Vallarta area. For example, many new businesses there must receive unofficial permission to open from Orozco Rodriguez. Once open, Orozco Rodriguez collects taxes from these businesses on behalf of CJNG. Orozco Rodriguez has had ties to multiple nightclubs, bars, and restaurants in Puerto Vallarta.

PREVIOUS ACTIONS AGAINST CJNG

OFAC has taken previous actions against CJNG operatives based in Puerto Vallarta, which the cartel uses as a base of operations to plan criminal activities executed throughout Mexico. On April 6, 2021, OFAC designated Carlos Andres Rivera Varela (a.k.a. “La Firma”) and Francisco Javier Gudino Haro (a.k.a. “La Gallina”) pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act). Rivera Varela and Gudino Haro lead a Puerto Vallarta-based CJNG enforcement group that has helped orchestrate assassinations of rivals and politicians using high-powered weaponry. These two violent individuals are also linked to Gonzalo Mendoza Gaytan (a.k.a. “El Sapo”), a senior CJNG member who has acted as the plaza boss for Puerto Vallarta, Jalisco, Mexico. OFAC designated Mendoza Gaytan pursuant to the Kingpin Act on May 17, 2019.

On April 8, 2015, OFAC designated CJNG, along with its leader, Ruben Oseguera Cervantes (a.k.a. “Mencho”), pursuant to the Kingpin Act for playing a significant role in international narcotics trafficking. On December 15, 2021, OFAC also designated CJNG and Oseguera Cervantes pursuant to E.O. 14059. The U.S. Department of State’s Narcotics Rewards Program has issued a reward of up to $10 million for information leading to the arrest and/or conviction of Oseguera Cervantes.

OFAC has also designated a wide range of businesses and individuals linked to CJNG and its close ally, the Los Cuinis Drug Trafficking Organization (Los Cuinis). The previously designated businesses in Mexico include shopping centers, real estate companies, agricultural companies, a music promotion business, and a luxury boutique hotel. Many of these entities have engaged in the laundering of drug proceeds and represent attempts by CJNG and Los Cuinis to integrate their illicit profits into the legitimate economy. Among the sanctioned individuals are those who play critical roles in CJNG’s drug trafficking activities, including money laundering, and those who facilitate corrupt activities on behalf of CJNG and Los Cuinis.

SANCTIONS IMPLICATIONS

As a result of today’s action, all property and interests in property of the designated individual that are 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 persons within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. U.S. persons may face civil or criminal penalties for violations of E.O. 14059 and the Kingpin Act.
Today's designation is part of a whole-of-government effort to counter the global threat posed by the trafficking into the United States of illicit drugs that is causing the deaths of tens of thousands of Americans annually, as well as countless more non-fatal overdoses with their own tragic human toll. To further the policy objectives that prompted E.O. 14059, OFAC will continue to identify drug cartels, transnational criminal organizations, and their financial facilitators and enablers globally that are the primary sources of illicit drugs and precursor chemicals that fuel the current opioid epidemic. OFAC, in coordination with its U.S. government partners and foreign counterparts, will continue to designate and pursue accountability for foreign illicit drug actors.

U.S. sanctions need not be permanent; sanctions are intended to bring about a positive change of behavior. Consistent with the findings of Treasury's 2021 Sanctions Review, the removal of sanctions is available for persons designated under counter narcotics authorities who demonstrate a change in behavior and no longer engage in activities linked to international illicit drug trafficking or other sanctionable activity.

For information concerning the process for seeking removal from any OFAC list, including the Specially Designated Nationals and Blocked Persons List (SDN List), please refer to OFAC’s Frequently Asked Question 897. Additional information regarding sanctions programs administered by OFAC can be found here.

For more information on the individual designated today, click here.

To view a chart on the individual designated today, click here.

Tips concerning the individual designated today can be submitted to DEA by phone (+1-202-386-6377).

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