

U.S. DEPARTMENT OF THE TREASURY

U.S. Sanctions Suppliers of Precursor Chemicals for Fentanyl Production

April 14, 2023

WASHINGTON – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated two entities in the People’s Republic of China (PRC) and five individuals, based in the PRC and Guatemala, for supplying precursor chemicals to drug cartels in Mexico for the production of illicit fentanyl intended for U.S. markets.

“Illicit fentanyl is responsible for the deaths of tens of thousands of Americans each year,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian E. Nelson. “Treasury, as part of the whole-of-government effort to respond to this crisis, will continue to vigorously apply our tools to prevent the transfer of precursor chemicals and machinery necessary to produce this drug.”

This action was carried out in partnership and close coordination with the Drug Enforcement Administration and the Department of Justice.

DISRUPTING THE FLOW OF FENTANYL PRECURSOR CHEMICALS

Today, OFAC designated **Wuhan Shuokang Biological Technology Co., Ltd** (武汉硕康生物科技有限公司) (**WSBT**) and **Yao Huatao** (姚华涛) (**Yao**) pursuant to Executive Order (E.O.) 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production. Yao, a PRC national, is the sole owner of PRC-based chemical company WSBT—an entity responsible for the sale of fentanyl precursor chemicals—and, as its Executive Director, oversees the company’s operations. OFAC additionally designated WSBT for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Yao.

OFAC also sanctioned three additional PRC nationals for their association with WSBT. **Wu Yaqin** (吴雅琴) (**Wu**) and **Wu Yonghao** (吴永昊) (**Yonghao**), sales representatives of Yao’s company

WSBT, not only negotiated and facilitated the sale of fentanyl precursor chemicals on the behalf of WSBT, but Wu also provided information on efficient preparation methods for synthesizing illicit fentanyl. **Wang Hongfei (王洪飞) (Wang)**, a WSBT collaborator, is the owner of a cryptocurrency wallet that has been used to receive bitcoin payments for illicit drug transactions on behalf of WSBT.

On April 4, 2023, a federal grand jury in the U.S. District Court for the Southern District of New York (SDNY) indicted Yao, Wu, and Yonghao for various conspiracy charges including fentanyl importation and money laundering.

OFAC designated Wu and Yonghao pursuant to E.O. 14059 for being owned, controlled, or directed by, or having acted or purported to act for or on behalf of, directly or indirectly, Yao. OFAC additionally designated Wu and Yonghao pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

OFAC designated Wang pursuant to E.O. 14059 for having provided or attempted to provide, financial, material, or technological support for, or goods or services in support of WSBT and Yao.

In 2021, PRC-based chemical company **Suzhou Xiaoli Pharmatech Co., Ltd (苏州小栗医药科技有限公司) (SXPC)** shipped 25 kilograms of N-BOC-4-Piperidone (CAS No.: 79099-07-3), a fentanyl precursor chemical to Guadalajara, Mexico with an ultimate destination in Sinaloa, Mexico. At the time of the N-BOC-4-Piperidone sale, the SXPC sales representative was aware that it would be used for the purpose of aiding in the manufacturing of illicit fentanyl and/or fentanyl pills. The SXPC sales representative additionally noted that SXPC was a supplier of fentanyl precursor chemicals for Mexico-based narcotics traffickers.

OFAC designated SXPC pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

ILLICIT FENTANYL PRECURSOR BROKER IN GUATEMALA

Ana Gabriela Rubio Zea (Rubio Zea) is a Guatemala-based broker of fentanyl precursor chemicals who buys fentanyl precursor on behalf of Mexico-based drug traffickers. Rubio was

the broker for the 25 kilograms of N-BOC-4-Piperidone, which was purchased from SXPC on behalf of the Sinaloa Cartel in Mexico. Rubio Zea has used her connections to PRC-based suppliers and chemical manufacturers to procure fentanyl precursor chemicals for the Sinaloa Cartel and to put Sinaloa Cartel traffickers in touch directly with those PRC-based suppliers, knowing that these chemicals would be used to manufacture fentanyl for ultimate distribution in the United States and elsewhere. Rubio Zea's primary fentanyl precursor chemicals suppliers include sales representatives at PRC-based chemical companies WSBT and SXPC.

In addition, Rubio Zea uses her expertise and contacts to ensure the safe delivery of precursors without detection by customs officials in Mexico or other countries. For example, Rubio Zea arranged for chemicals to be disguised in food containers or packaged alongside legal chemicals to avoid detection.

OFAC designated Rubio Zea pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

On April 4, 2023, a federal grand jury in the U.S. District Court for SDNY indicted Rubio Zea for various conspiracy charges including fentanyl importation and money laundering. According to the indictment, Rubio Zea is directly connected to "Los Chapitos," a reference to four sons of notorious Mexican drug lord, Joaquin "El Chapo" Guzman Loera. Los Chapitos includes brothers Ivan Archivaldo Guzman Salazar and Jesus Alfredo Guzman Salazar, as well as their stepbrothers, Ovidio Guzman Lopez and Joaquin Guzman Lopez, the first three of whom were indicted by SDNY.

As high-ranking members of the Sinaloa Cartel—one of the largest and most powerful drug trafficking organizations in the world—Los Chapitos are involved in drug trafficking, money laundering, and violence. OFAC previously designated the Guzman Salazar brothers, as well as Ovidio Guzman Lopez, in 2012 pursuant to the Foreign Narcotics Kingpin Designation Act. The trio were designated again in 2021 pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

The U.S. Department of State's Narcotics Reward Program announced reward offers from up to \$1 million to up to \$10 million for information leading to the arrest and/or conviction of several targets indicted today, including Yao, Wu, Yonghao, and Zea. For Yao, Wu, Yonghao, submit tips

via email to ChapitosTips@dea.gov via Whatsapp at 1-202-743-1066. For Zea, tips may be submitted via email to ChapitosTips@dea.gov.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated individuals and entities that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. OFAC's regulations generally prohibit all dealings by U.S. persons or within the United States (including transactions transiting the United States) that involve any property or interests in property of designated or otherwise blocked persons.

Today's action is part of a whole-of-government effort to counter the global threat posed by the trafficking of illicit drugs into the United States that is causing the deaths of tens of thousands of Americans annually, as well as countless more non-fatal overdoses. This action demonstrates the Administration's [strengthened approach](#) to saving lives by disrupting the trafficking of illicit fentanyl and its precursors into American communities. OFAC, in coordination OFAC, in coordination with its U.S. Government partners and foreign counterparts, will continue to target and pursue accountability for foreign illicit drug actors.

In addition, persons that engage in certain transactions with the individuals and entities designated today may themselves be exposed to sanctions or subject to an enforcement action.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List), but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [Frequently Asked Question 897](#). For detailed information on the [process to submit a request for removal from an OFAC sanctions list](#), please click here.

[Click here for identifying information on the individuals and entities designated today.](#)

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