

Treasury Sanctions Fourth Member of “Los Chapitos” and Expands Targeting of Deadly Fentanyl Supply Network

May 9, 2023

WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned **Joaquin Guzman Lopez**—a son of Joaquin “El Chapo” Guzman Loera and the fourth member of Los Chapitos—as well as three Sinaloa Cartel members and two Mexico-based entities pursuant to Executive Order (E.O.) 14059. Those sanctioned today are part of a Sinaloa Cartel network overseen by Los Chapitos and responsible for a significant portion of the illicit fentanyl and other deadly drugs trafficked into the United States.

“Today’s action continues to disrupt key nodes of the global illicit fentanyl enterprise, including the producers, suppliers, and transporters,” said Under Secretary of the Treasury for Terrorism and Financial Intelligence Brian Nelson. “Treasury, in close coordination with the Government of Mexico and U.S. law enforcement, will continue to leverage our authorities to isolate and disrupt Los Chapitos and the Sinaloa Cartel’s operations at every juncture.”

THE SINALOA CARTEL’S RISE TO DRUG TRAFFICKING DOMINANCE

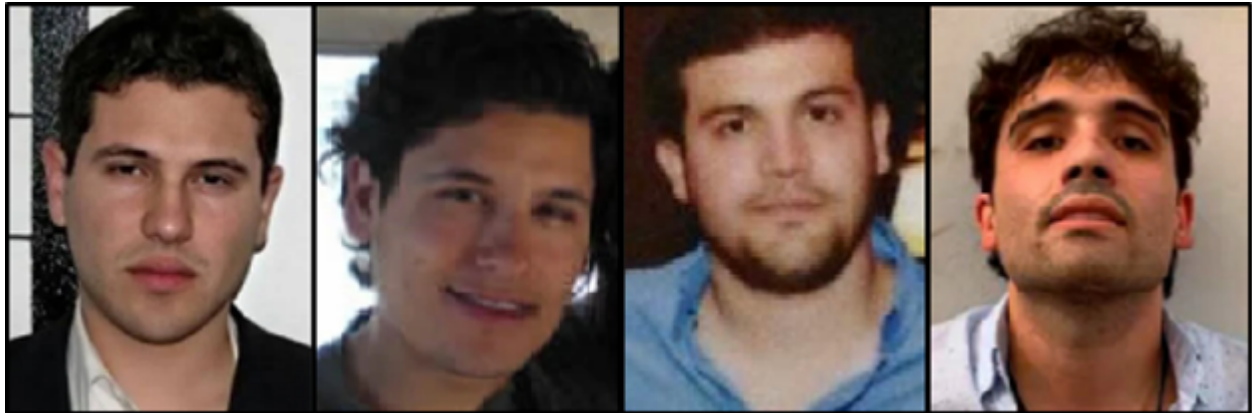
Founded in the 1980s, the Sinaloa Cartel initially operated as a coalition of Mexico’s most powerful drug traffickers. In the early 2000s, Ismael “El Mayo” Zambada Garcia and Joaquin “El Chapo” Guzman Loera consolidated their power, which led to the Sinaloa Cartel’s ascent into one of the largest and most notorious drug trafficking organizations in Mexico. The Sinaloa Cartel controls drug trafficking activity in key regions throughout Mexico, particularly along the Pacific Coast. Using these strategic points, the cartel traffics multi-ton quantities of illicit drugs, including fentanyl, heroin, and methamphetamine into the United States.

EL CHAPO’S ENDURING LEGACY: LOS CHAPITOS

Following the arrest, extradition, and subsequent conviction of Guzman Loera in a U.S. federal court, four of his sons collectively sought to continue their father’s drug trafficking legacy and leadership role in the Sinaloa Cartel. Commonly referred to as “Los Chapitos” (The Little

Chapos) or “Los Menores” (The Minors), the brothers, Ivan Archivaldo Guzman Salazar and Jesus Alfredo Guzman Salazar, alongside their stepbrothers, Ovidio Guzman Lopez and Joaquin Guzman Lopez—designated today—lead a powerful faction of the Sinaloa Cartel.

All four members of Los Chapitos are indicted on U.S. federal drug trafficking charges in one or more jurisdictions, to include the U.S. District Court for the Northern District of Illinois, the U.S. District Court for the Southern District of California, and the U.S. District Court for the District of Columbia. Together, these three jurisdictions have engaged in a decades-long, collaborative, multi-district effort and recently unsealed a 13th superseding indictment charging the four Los Chapitos on [April 14, 2023](#). Also last month, the U.S. Attorney’s Office for the Southern District of New York brought initial charges against three of the four Los Chapitos. OFAC previously designated the Guzman Salazar brothers, as well as Ovidio Guzman Lopez, in 2012 pursuant to the Foreign Narcotics Kingpin Designation Act and again in 2021 pursuant to E.O. 14059.



From left to right: *Ivan Archivaldo Guzman Salazar, Jesus Alfredo Guzman Salazar, Joaquin Guzman Lopez, Ovidio Guzman Lopez.*

AN EVER-EXPANDING LOS CHAPITOS NETWORK

Today, OFAC designated **Joaquin Guzman Lopez**, who works closely with his brothers and is responsible for overseeing many aspects of the Los Chapitos drug trafficking empire. For example, Joaquin Guzman Lopez is involved in the management of super labs—which have often been supplied by a network run by Sinaloa-based brothers Ludim and Luis Alfonso Zamudio Lerma—and in the trafficking of illicit drugs into the United States. In February of this year, OFAC [designated the Zamudio Lerma brothers](#) pursuant to E.O. 14059.

Joaquin Guzman Lopez was first indicted on federal drug trafficking charges in 2018 by the Department of Justice’s Narcotics and Dangerous Drugs Section (NDDS) in the U.S. District Court for the District of Columbia, and Guzman Lopez has since been charged in multiple

superseding indictments in the U.S. District Court for the Northern District of Illinois, to include the indictment unsealed on April 14, 2023.

The three other individuals OFAC designated today include **Raymundo Perez Uribe**, who leads a supplier network used by the Sinaloa Cartel to obtain precursor chemicals for the manufacture of illicit drugs; **Saul Paez Lopez**, who is involved in coordinating illicit drug shipments for his first cousins, Ovidio and Joaquin Guzman Lopez; and **Mario Esteban Ogazon Sedano**, who purchases illicit precursor chemicals from Ludim Zamudio Lerma and operates illegal drug laboratories on behalf of the Sinaloa Cartel. Additionally, **Sumilab, S.A. de C.V. (Sumilab)**, which is a Culiacan, Sinaloa-based chemical and lab equipment company, was designated today for its involvement in providing and shipping precursor chemicals for and to Sinaloa Cartel members and associates. OFAC designated all four individuals, as well as Sumilab, 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.

In addition, OFAC designated a Sinaloa-based real estate business, **Urbanizacion, Inmobiliaria y Construccion de Obras, S.A. de C.V.**, 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, Mario Esteban Ogazon Sedano.

While Ovidio Guzman Lopez was captured in Mexico in January of this year, Joaquin Guzman Lopez and the Guzman Salazar brothers remain fugitives. Through its Narcotics Rewards Program, the U.S. Department of State offers a reward of up to \$5 million for information leading to the arrest and/or conviction of [Joaquin Guzman Lopez](#) and [Ovidio Guzman Lopez](#), as well as a reward of up to \$10 million for information leading to the arrest and/or conviction of [Ivan Archivaldo Guzman Salazar](#) and [Jesus Alfredo Guzman Salazar](#).

This action was coordinated closely with the Government of Mexico, including La Unidad de Inteligencia Financiera (Mexico's Financial Intelligence Unit), and is the result of ongoing collaboration with the FBI Phoenix Field Office (Tucson Resident Agency), the FBI Legal Attaché San Salvador (Sub-Office Guatemala City), the DEA Tampa District Office ("CHEMEX"), the Homeland Security Investigations (HSI) Special Agent in Charge in Phoenix, the HSI Nogales Field Office, and the HSI Spokane Field Office.

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, individually or in the aggregate, 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 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](#).

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

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

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