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February 25, 2010  
TG-564

### **Treasury Sanctions La Familia Michoacana Leadership**

#### ***Action Marks First Derivative Designation Since President Identified This Violent Drug Trafficking Organization Last Year***

**WASHINGTON** – The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated seven key leaders of the international drug trafficking organization La Familia Michoacana (La Familia) as Specially Designated Narcotics Traffickers (SDNTs). Today's designation targets two principal leaders of La Familia, Nazario Moreno Gonzalez ("El Chayo") and Jose de Jesus Mendez Vargas ("El Chango"), and five of their lieutenants. OFAC also designated as an SDNT one company owned or controlled by one of La Familia's lieutenants. Today's action, pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act), prohibits U.S. persons from conducting financial or commercial transactions with these individuals and entity and freezes any assets the designees may have under U.S. jurisdiction.

"Today's action targets the senior leadership of La Familia Michoacana, giving further effect to the President's April 2009 identification of this organization for sanctions," said OFAC Director Adam J. Szubin. "La Familia is one of Mexico's newest and most violent drug cartels. We will continue to aggressively pursue this dangerous organization and deny La Familia's leadership, businesses and operatives access to the U.S. financial system."

La Familia, identified by President Obama as a significant foreign narcotics trafficker in April 2009, is an extremely violent drug trafficking organization operating primarily in the State of Michoacán, Mexico. It is a compartmentalized organization heavily involved in narcotics trafficking, kidnapping, extortion, and other criminal activities. La Familia is known for its extreme form of brutal violence – to include execution-style killings and beheadings. Today's action is OFAC's first derivative designation against La Familia since the President identified it as a significant foreign narcotics trafficker.

Nazario Moreno Gonzalez, La Familia's spiritual leader, was indicted for drug trafficking in a U.S. district court in Texas in 2003, and Jose de Jesus Mendez Vargas is responsible for smuggling large shipments of methamphetamine and cocaine into the United States. OFAC also today designated five individuals working immediately below or on behalf of La Familia's principal leaders in Mexico, including Dionicio Loya Plancarte ("El Tio"), considered the current second-in-command, and Servando Gomez Martinez ("La Tuta"), another top leader of the organization believed to be responsible for the July 2009 murders of 12 Mexican federal police officers. OFAC also designated Enrique Plancarte Solis ("La Chiva"), Jose Arnoldo Rueda Medina ("La Minsa"), Nicandro Barrera Medrano, and trucking company Transportadora Purepecha S.A. de C.V, which is owned or controlled by Medrano.

Today's action is due in part to OFAC's cooperation with the Mexico Country Office

of the Drug Enforcement Administration (DEA) and DEA's Special Operations Division and is part of ongoing efforts under the Kingpin Act to apply financial measures against significant foreign narcotics traffickers worldwide. Internationally, more than 500 businesses and individuals associated with 82 drug kingpins, 37 of which are based in Mexico, have been designated pursuant to the Kingpin Act since June 2000. Penalties for violations of the Kingpin Act range from civil penalties of up to \$1.075 million 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 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.

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## REPORTS

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