

News Release

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Treasury Identifies Financial Network of Ismael Zambada Garcia

May 17 -- The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today designated six companies and twelve individuals in Mexico that act as fronts for Ismael Zambada Garcia, the leader of a Sinaloa, Mexico-based drug trafficking organization. Ismael Zambada Garcia was named as a Tier I drug kingpin by President George W. Bush on May 31, 2002, pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act).

"Zambada Garcia is one of Mexico's most powerful drug kingpins and a fugitive from justice," said Adam Szubin, Director of the Office of Foreign Assets Control. "Today's action further exposes the network of front companies and financial associates that Zambada Garcia uses to hide and launder his drug monies and cuts them off from the U.S. financial system."

The OFAC designation targets *Nueva Industria de Ganaderos de Culiacan S.A. de C.V.*, a large, Sinaloa, Mexico-based cattle and dairy company. Zambada Garcia's former spouse, Rosario Niebla Cardoza, and their four adult daughters, Maria Teresa, Midiam Patricia, Monica del Rosario, and Modesta Zambada Niebla, are also designated today on the basis of their role in the ownership or control of Zambada Garcia front companies and assets in Mexico. Other companies designated today are *Establo Puerto Rico S.A. de C.V.*, *Jamaro Constructores S.A. de C.V.*, *Multiservicios Jeviz S.A. de C.V.*, *Estancia Infantil Niño Feliz S.C.*, and *Rosario Niebla Cardoza A. en P.*

Ismael Zambada Garcia is a U.S. fugitive and the State Department has offered a \$5 million dollar reward for information leading to his arrest. In January 2003, the U.S. District Court for the District of Columbia returned an indictment against Ismael Zambada Garcia and two key lieutenants, Javier Torres Felix and his son Vicente Zambada Niebla. Javier Torres Felix was extradited to the United States in December 2006.

"The Zambada Garcia organization cannot hide behind front companies like the Sinaloa cattle and dairy business," said DEA Administrator Karen P. Tandy. "We're working with OFAC to expose these traffickers' front companies for what they really are – not legitimate businesses, but illegal cash cows that fuel the drug trade, its violence and corruption. We're relentlessly following the financial trail to deprive these traffickers of their assets, draining the lifeblood from their criminal drug enterprises."

This action is part of an ongoing U.S. Government effort under the Kingpin Act to apply financial measures against significant foreign drug kingpins worldwide. More than 300 businesses and individuals associated with the 62 drug kingpins have been designated since June 2000. Today's designation would not have been possible without key support from the Drug Enforcement Administration.

Today's designation action freezes any assets the 18 designees may have under U.S. jurisdiction and prohibits U.S. persons from conducting financial or commercial transactions with these individuals and entities. Penalties for violations of the Kingpin Act range from civil penalties of up to \$1,075,000 per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines of up to \$5,000,000. Criminal fines for corporations may reach \$10,000,000. Other individuals face up to 10 years in prison for criminal violations of the Kingpin Act.

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