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MEXICAN LEGAL NEWS

U.S. Targets Criminal Facilitators Behind CJNG's Cross-Border Fuel Smuggling Schemes: What Mexican Corporations and Foreign Companies Operating in Mexico Need to Know

On June 30, 2026, OFAC and FinCEN announced coordinated actions against CJNG-linked fuel smuggling networks. Companies in Mexico's energy, transportation, and financial sectors should immediately review their counterparty relationships and compliance programs.

Overview of the Action

On June 30, 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and Financial Crimes Enforcement Network (FinCEN) announced multiple coordinated actions combatting fuel smuggling schemes linked to the Cartel de Jalisco Nueva Generación. OFAC sanctioned two Mexican nationals and nine entities tied to a CJNG-linked fuel theft scheme involving cross-border smuggling, falsified customs documents, and shell companies designed to evade Mexican taxes while generating tens of millions of dollars annually for the cartel. Concurrently, FinCEN issued a supplemental alert providing financial typologies and red flags indicative of fuel smuggling from the United States into Mexico involving Mexican tax evasion.

This action reflects strong collaboration between OFAC, FinCEN and at least six more U.S. agencies, jointly with the Government of Mexico's financial intelligence unit, the Unidad de Inteligencia Financiera. This is the latest action in OFAC's escalating campaign against CJNG's financial infrastructure—specifically its fuel smuggling revenue stream—and represents the third major OFAC action targeting CJNG fuel operations in less than a year. Prior actions include the September 2024 designation of 9 individuals and 26 entities linked to CJNG fuel theft (including senior member Ivan Cazarin Molina), and the May 2025 designation of CJNG Tamaulipas cell leader Cesar Morfin Morfin for fentanyl trafficking and fuel theft.

OFAC's designations target two Mexican nationals—Oscar Guillermo Juraidini Silva, described as an accountant and "the mastermind behind certain financial operations for CJNG," and J. Refugio Ruiz Villagomez—along with nine entities operating in the states of Tamaulipas, Nuevo León, and Querétaro across the financial services, transportation, and real estate sectors. According to Treasury, Juraidini creates and operates shell companies on behalf of CJNG, falsifies customs documents to aid the illicit cross-border transfer of fuel, and imports fuel from the United States into Mexico that he intentionally mislabels in customs documentation to circumvent Mexican IEPS taxes. Foreign financial institutions that knowingly conduct or facilitate any significant transaction on behalf of the designated persons risk losing their U.S. correspondent or payable-through banking accounts. OFAC can prohibit or impose strict conditions on opening or maintaining, in the United States, a correspondent account or a payable-through account of a foreign financial institution that knowingly conducts or facilitates any significant transaction on behalf of a designated person. Banks and money services businesses face heightened scrutiny in border states.

Key Compliance Takeaways

- Companies in the energy, transportation, financial services, and real estate sectors should immediately screen counterparties against the OFAC list.
- **Banks and money services businesses face heightened scrutiny.** Financial institutions should incorporate the FinCEN red flags into their transaction monitoring systems. In the 12 months following FinCEN's May 2025 oil smuggling alert, financial institutions filed over 160 Suspicious Activity Reports (SARs) detailing more than $7 billion in suspicious activity linked primarily to CJNG.
- **Mexican companies found to have links to designated parties risk losing VAT, IEPS, IMMEX, and Authorized Economic Operator certifications,** as well as facing restrictions on exports to the United States.
- **The multi-agency task force structure signals potential parallel criminal investigations.** Companies identified in these investigations may face not only sanctions exposure but also criminal prosecution for material support of a foreign terrorist organization.
- **FCPA and anti-corruption exposure.** According to FinCEN, cartels use illicit fuel profits to make cash payments to Mexican political campaigns and media outlets. Companies operating in Mexico's energy sector should heighten due diligence when interacting with government officials in energy-related permitting, procurement, or regulatory matters.
- Clients should review compliance programs against OFAC's alerts, ensuring controls are calibrated to the heightened FTO risk environment.

For any questions or personalized advice on how to strengthen your corporate programs, do not hesitate to contact our team of experts.

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