

TERRORIST DESIGNATIONS OF CARTELS

SECURITY AND
COMPLIANCE CHALLENGES
IN MEXICO



OUTSMARTING SECURITY THREATS

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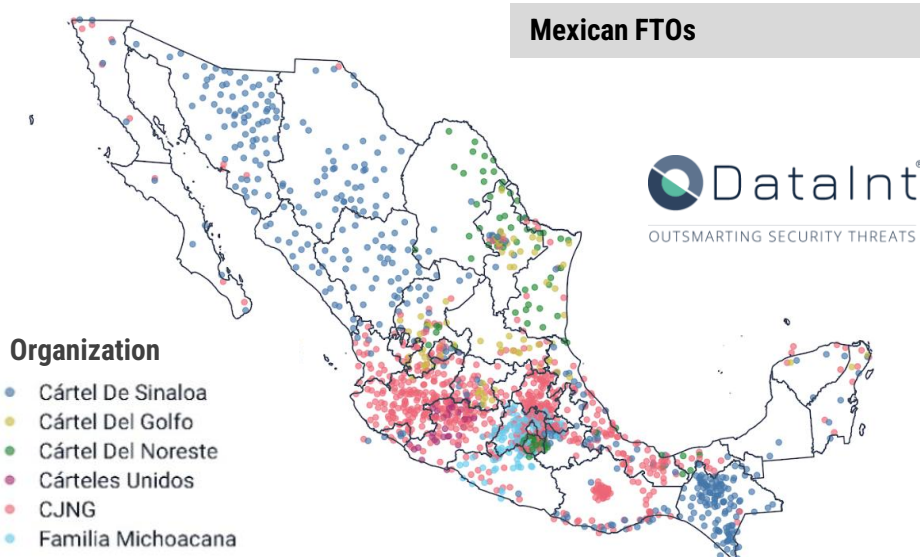
Cartels Designated as Foreign Terrorist Organizations

On February 20, 2025, the United States government officially designated eight criminal organizations with significant hemispheric influence as Foreign Terrorist Organizations (FTOs) and Specially Designated Global Terrorists (SDGTs). Six of these organizations are based in Mexico.

Among the designated groups are two of Mexico's most powerful cartels: the **Sinaloa Cartel** and the **Jalisco Nueva Generación Cartel**. These organizations are the primary exporters of illicit drugs to the United States and exercise widespread extortive territorial control throughout Mexico. Additionally, two regional cartels operating in the Gulf and Northeast regions—the **Noreste/Zetas Cartel** and the **Golfo Cartel**—were also designated. Two other groups operating in central and southern Mexico, La **Familia Michoacana** and **Cárteles Unidos**, were also included in the list. While their impact on drug trafficking is relatively smaller, these organizations pose significant threats to key U.S. business sectors, including mining, forestry, and notably the avocado and lime export industries.

This designation sends a clear prioritization message to U.S. security, defense, intelligence, and justice agencies, signaling that these cartels are now a primary target. It aims to coordinate efforts to apprehend cartel leaders, dismantle their financial networks, and disrupt governmental support structures. This designation also empowers U.S. authorities to take extraordinary actions such as imposing visa restrictions, freezing bank accounts, seizing assets, and implementing sanctions that bypass the standard procedural guarantees afforded to regular defendants. Additionally, any individual or entity providing "**material support**" to these organizations is subject to penalties.

The consequences of these designations are far-reaching for the business community in Mexico, particularly because "material support" is a broad concept. It encompasses a range of activities, from facilitating **money laundering** and paying **extortion** fees to purchasing **stolen fuel** or publicly **expressing support** to these criminal groups.



The Corporate Compliance Challenge

In Mexico, **extortion** is the most prevalent crime affecting businesses, with 15% of cases involving direct payments to criminals, according to the National Business Victimization Survey. Given the complex and decentralized nature of cartel networks, many companies may unknowingly provide material support to designated terrorist organizations, exposing themselves to severe legal consequences.

Penalties for supporting terrorist organizations include visa revocations, fines and compensatory payments, and up to 20 years in prison.

Real-world examples:

- Chiquita Brands International (2007) – Fined \$27 million and paid \$38.3 million in damages for making payments to Colombian paramilitary groups.
- Lafarge (2022) – Fined \$777 million for paying extortion fees to ISIS in Syria.
- Sanctions in Mexico (March, 2025) – Visa revocation for musicians that promoted the CJNG and sanctions on financial networks linked to the Sinaloa Cartel.

In this new context, any organization operating in Mexico must establish enhanced corporate compliance frameworks, train employees to recognize and report risks, identify criminal exposure, monitor FTOs presence, screen suppliers and employees, engage with authorities and, most importantly, demonstrate *good faith* by making every effort to assess their risks, prevent violations, and report any suspicious activities.

A COMPREHENSIVE APPROACH

At Dattaint, a cutting-edge **security intelligence** firm, and BDP, a leader in **corporate affairs**, we deliver a 360° risk management strategy to help businesses navigate this evolving landscape. Our top-tier team—featuring security consultants, legal strategists, data scientists, and former U.S. counterterrorism and anti-narcotics specialists—provides unparalleled expertise to protect your operation.

Corporate and Legal Solutions



- Robust corporate protection programs to mitigate FTOs risks
- Specialized training to ensure compliance and risk awareness
- Comprehensive legal, compliance, and investigative reporting
- Proactive engagement with authorities to safeguard your business

Advanced Intelligence Capabilities



- Real-time risk assessment with quantitative and qualitative analysis
- 24/7 monitoring of FTOs activities to detect potential threats
- AI-powered detection of suspicious activities
- Thorough screening of employees, suppliers, and customers for risk mitigation

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