

U.S. DEPARTMENT OF THE TREASURY

Treasury Sanctions CJNG–Run Timeshare Fraud Network

March 2, 2023

Action Coordinated with Government of Mexico

WASHINGTON — Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned eight Mexican companies linked to timeshare fraud on behalf of the Cartel de Jalisco Nueva Generacion (CJNG). CJNG is a violent Mexico-based organization that traffics a significant proportion of the illicit fentanyl and other deadly drugs that enter the United States. Today's action is the result of a collaboration between the United States and the Government of Mexico.

"As CJNG has consolidated territory over the past decade, it has added other crimes to its core activity of drug trafficking," said OFAC Director Andrea M. Gacki. "In tourist destinations such as Puerto Vallarta, CJNG has become heavily engaged in timeshare fraud, which often targets U.S. citizens. This crime, which can defraud victims of their life savings, results in another significant revenue stream for the cartel and strengthens its overall criminal enterprise. Today's action exposes this CJNG scheme and also serves as a warning to potential victims, many of whom are elderly."

TIMESHARE FRAUD TYPOLOGY

Although there are different types of timeshare fraud, the schemes often involve the following: (1) third-party scammers, who claim to have ready buyers, make unsolicited purchase offers to timeshare owners; (2) if offers are accepted, scammers make requests of timeshare owners for payments of advance fees and taxes, supposedly to facilitate or expedite the sale with assurances of reimbursement upon closing; and (3) once multiple payments have been made to the scammers, timeshare owners eventually realize that the offers were fictitious, that there are no buyers, and that their money is gone.

SANCTIONED COMPANIES

The eight companies designated today, which are linked directly or indirectly to CJNG's timeshare fraud activities, claim to be financial services or real estate companies. Five of the companies—**Servicios Administrativos Fordtwoo, S.A. de C.V., Integracion Badeva, S.A. de C.V., JM Providers Office, S.A. de C.V., Promotora Vallarta One, S.A. de C.V.,** and **Recservi, S.A. de C.V.**—are based in or near Puerto Vallarta, Jalisco, Mexico. Servicios Administrativos Fordtwoo, S.A. de C.V. has also made direct payments to CJNG members.

Puerto Vallarta is a CJNG strategic stronghold for drug trafficking and various other illicit activities. OFAC has taken multiple actions against CJNG actors in Puerto Vallarta, including those who have ties to nightclubs, bars, and restaurants. Additionally, OFAC has designated senior CJNG members Carlos Andres Rivera Varela (a.k.a. "La Firma"), Francisco Javier Gudino Haro (a.k.a. "La Gallina"), and Julio Cesar Montero Pinzon (a.k.a. "El Tarjetas"), who are part of a CJNG enforcement group based in Puerto Vallarta that orchestrates assassinations of rivals and politicians using high-powered weaponry.

The remaining companies designated today—**Corporativo Title I, S.A. de C.V., Corporativo TS Business Inc, S.A. de C.V.,** and **TS Business Corporativo, S.A. de C.V.**—are based in Guadalajara, Jalisco, Mexico.

These eight companies are being designated pursuant to Executive Order (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, a person sanctioned pursuant to E.O. 14059, namely, CJNG.

PREVIOUS ACTIONS AGAINST CJNG

On [April 8, 2015](#), OFAC sanctioned CJNG pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act) for playing a significant role in international narcotics trafficking. On [December 15, 2021](#), OFAC also designated CJNG pursuant to E.O. 14059. In other actions, OFAC has designated numerous CJNG-linked companies that were engaged in various commercial activities and multiple individuals who played critical roles in CJNG's drug trafficking, money laundering, and corruption.

TIMESHARE FRAUD RESOURCES

In 2020, the Federal Bureau of Investigation (FBI) and the Securities and Exchange Commission issued a joint [warning](#) to consumers concerning fraudsters targeting owners of timeshares in Mexico. Individuals who have been victimized by this type of scam are encouraged to file a complaint with the FBI's Internet Crime Complaint Center by visiting <https://www.ic3.gov>.

At times, perpetrators of timeshare fraud misuse government agency names in attempts to appear legitimate. For example, perpetrators may call victims and claim to represent OFAC, demanding a payment in exchange for the release of funds that the perpetrator claims OFAC has "blocked." Today, OFAC is also issuing an alert regarding such scams, warning that individuals may falsely claim to represent OFAC in furtherance of their fraud.

[Click here to read the OFAC Alert.](#)

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be 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. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. U.S. persons may face civil or criminal penalties for violations of E.O. 14059 and the Kingpin Act.

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. OFAC, in coordination with its U.S. Government partners and foreign counterparts, will continue to target and pursue

accountability for foreign illicit drug actors.

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 [here](#). For detailed information on the process to submit a request for removal from an OFAC sanctions list, please click [here](#).

[For more information on the entities designated today, click here.](#)

[To view a chart on the entities designated today, click here.](#)

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