

FINANCIAL CRIMES ENFORCEMENT NETWORK



Financial Trend Analysis

Fentanyl-Related Illicit Finance: 2024 Threat Pattern & Trend Information

April 2025



Fentanyl-Related Illicit Finance: 2024 Threat Pattern & Trend Information

This Financial Trend Analysis (FTA) focuses on patterns and trends identified in Bank Secrecy Act (BSA) data linked to fentanyl-related illicit finance. This report is issued pursuant to Section 6206 of the Anti-Money Laundering Act of 2020, which requires the Financial Crimes Enforcement Network (FinCEN) to periodically publish BSA-derived threat pattern and trend information.¹ FinCEN issued government-wide priorities for anti-money laundering and countering the financing of terrorism (AML/CFT) on 30 June 2021, which included drug trafficking organization activity and transnational criminal organization activity as government-wide priorities. In 2019 and 2024, FinCEN issued two advisories that highlight financial typologies and red flag indicators associated with suspected fentanyl-related activity.^{2,3} The information in this report is relevant to the public, including a wide range of consumers, businesses, and industries and it highlights the value of BSA data filed by regulated financial institutions.

Executive Summary: FinCEN analyzed 1,246 BSA reports that identified suspected fentanyl-related activity. These reports were filed between January and December 2024 and identified approximately \$1.4 billion in suspicious transactions.⁴ The reported financial activity identified various aspects of the illicit fentanyl supply chain—including precursor chemical procurement, fentanyl trafficking, and fentanyl-linked money laundering—that have touchpoints across the U.S. financial sector.

- *Fentanyl Supply Chain Leverages U.S. Financial System:* Depository institutions and money services businesses (MSBs) in the United States accounted for 57 and 32 percent of fentanyl-related BSA reports, respectively. These filings identified suspected illicit activities involving elements of the fentanyl supply chain that often rely on the U.S. financial system to move money globally.
- *Fentanyl Trade Has Foreign Touchpoints:* Mexico and the People’s Republic of China (PRC), the top two foreign countries identified in subject address fields of BSA reports analyzed, play key roles in the production of fentanyl and subsequent money laundering activity.

1. The Anti-Money Laundering Act of 2020 was enacted as Division F, §§ 6001-6511, of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283 (2021).

2. See generally “FinCEN Advisory to Financial Institutions on Illicit Financial Schemes and Methods Related to the Trafficking of Fentanyl and Other Synthetic Opioids,” FinCEN Advisory #FIN-2019-A006, 21 August 2019, <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2019-a006>.

3. See generally “FinCEN Supplemental Advisory on the Procurement of Precursor Chemicals and Manufacturing Equipment Used for the Synthesis of Illicit Fentanyl and Other Synthetic Opioids,” FinCEN Advisory #FIN-2024-A002, 20 June 2024, <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2024-a002>.

4. The suspicious activity total may include BSA reports that describe continuing suspicious activity or amend earlier reports, as well as reports that cover expanded networks involved in potential illicit activity.

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- *Mexican Geographic Trends Highlight Cartels' Financial Footprints and Procurement Methods:* Sinaloa and Jalisco, strongholds of the Sinaloa Cartel and the Cartel Jalisco Nueva Generacion (CJNG), were the top two Mexican states identified in subject address fields of BSA reports related to fentanyl.⁵ In addition, BSA reporting highlighted the role of Mexican chemical brokers and the use of front companies, money mules, and U.S. intermediaries to procure fentanyl precursor chemicals.
- *E-Commerce Plays Key Role in Chinese Precursor Chemical Sales:* PRC-based chemical suppliers accept a wide range of payment methods and often leverage public advertisements, including e-commerce platforms, to market fentanyl precursor chemicals. Reported activity suspected of being potential precursor chemical sales primarily included bank wire transfers as well as various MSB payment mechanisms, such as traditional funds transfers, electronic transfers via online payment platforms, and transfers of convertible virtual currency (CVC).
- *Other Foreign Touchpoints Reflected in Fentanyl Supply Chain:* Subjects in other foreign countries—including Canada, the Dominican Republic, and India—highlight the presence of alternative suppliers of precursor chemicals and fentanyl, as well as the role of illegal online pharmacies.
- *California, Florida, and New York Lead U.S. in BSA Reporting Subjects:* Fentanyl-related financial activity in the United States primarily involved subjects in populous states with large urban areas that have established drug distribution networks and serve as collection points for illicit proceeds. FinCEN analysis also noted a substantial number of subjects in southwest border counties in California and Arizona.
- *Fentanyl Traffickers in United States Primarily Deal in Cash and Peer-to-Peer Transfers:* Domestic sales of fentanyl appear to be conducted primarily in cash and peer-to-peer (P2P) transfers, which were referenced in 54 and 51 percent of BSA reports, respectively. P2P transfers often included payment memos containing drug-related euphemisms that enabled BSA filers to detect suspicious activity. In addition, BSA reporting of CVC-related transactions primarily identified bitcoin payments, including in suspected darknet marketplace drug sales.
- *Money Laundering Schemes Range from Simple to Complex:* Methods to launder suspected fentanyl proceeds varied in sophistication. Simple schemes often included the direct repatriation of illicit proceeds to Mexico through MSB funds transfers. BSA filers also identified complex schemes including suspected professional money laundering organizations (PMLOs)—such as Chinese money laundering organizations—potentially facilitating the movement of illicit fentanyl proceeds on behalf of the cartels. BSA filers also reported potential trade-based money laundering (TBML) activity involving electronics, such as cellular phones, and vaping/e-cigarette devices.

5. See Drug Enforcement Administration, "National Drug Threat Assessment 2024," May 2024, at pp. 4-8, https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NDTA-updated.pdf.

Scope and Methodology: FinCEN examined BSA reports containing keywords potentially indicative of fentanyl-related financial activity, including the key terms highlighted in FinCEN’s 2019 and 2024 fentanyl advisories, and reviewed each report to remove false positives. The final dataset comprises 1,246 BSA reports filed between January and December 2024 (the review period), reporting approximately \$1.4 billion in suspicious financial activity. These reports may refer to financial activity that occurred prior to the review period.⁶

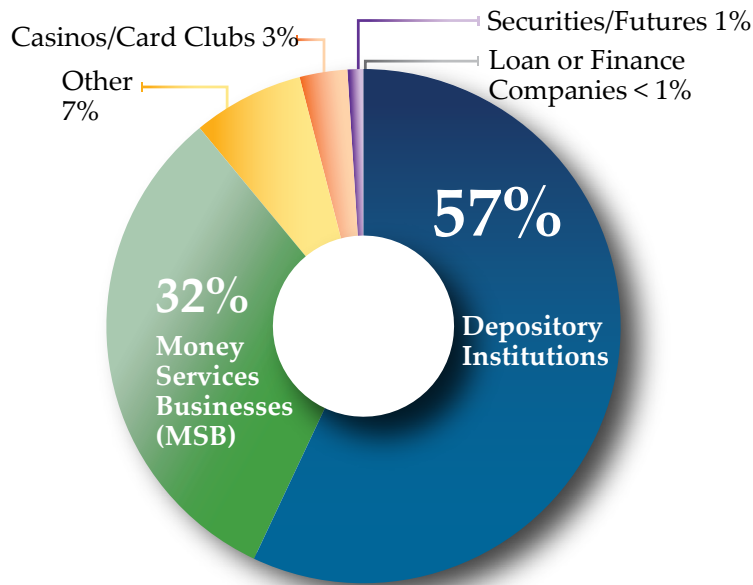
What is Fentanyl?

Fentanyl is a synthetic opioid, roughly 100 times more potent than morphine, traditionally used for pain relief and anesthesia in medical care. However, illicit fentanyl—which is often produced to mimic legitimate prescription drugs—is primarily synthesized, trafficked, and smuggled into the United States by Mexican cartels.⁷ The Sinaloa Cartel and CJNG—which are Foreign Terrorist Organizations, Specially Designated Global Terrorists, and Drug Trafficking Organizations—largely control the fentanyl supply chain from Mexico and utilize precursor chemicals and manufacturing equipment primarily sourced from the PRC to synthesize illicit fentanyl in clandestine laboratories through a series of chemical reactions.^{8,9,10} The resulting fentanyl powder is either pressed into pill form in Mexico or smuggled into the United States to be pressed domestically for distribution. In 2024, the U.S. Drug Enforcement Administration (DEA) seized over 55 million fentanyl pills and nearly eight thousand pounds of fentanyl powder.¹¹

The fentanyl trade generates a significant amount of illicit profits for the cartels that are exploiting the U.S. financial system in every step of the fentanyl supply chain. To help combat the fentanyl threat, FinCEN personnel embedded at the DEA Special Operations Division and the U.S. Department of Justice’s Joint Criminal Opioid Darknet Enforcement team are providing BSA-driven financial intelligence support to law enforcement investigations targeting precursor chemical sales, fentanyl trafficking, and related money laundering activity.

6. BSA filers often reported suspicious financial activity that may have occurred over a multi-year period that began before 2024. This included instances in which filers identified derogatory information, such as arrests and indictments, involving their customers.
7. See Drug Enforcement Administration, “National Drug Threat Assessment 2024,” May 2024, at pp. 4-8, https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NTA-updated.pdf.
8. *Ibid.*
9. See U.S. Department of State, “Designation of International Cartels,” 20 February 2025, <https://www.state.gov/designation-of-international-cartels/>.
10. See U.S. Department of the Treasury, “OFAC Alert: International Cartels Designated as Foreign Terrorist Organizations and Specially Designated Global Terrorists,” 18 March 2025, <https://ofac.treasury.gov/media/934096/download?inline>.
11. See Drug Enforcement Administration, “DEA Fentanyl Seizures in 2024,” <https://www.dea.gov/>.

*Figure 1. Filers by Financial Institution Type
(Percentage of Total Fentanyl-Related BSA Reports, 2024)*



Banks and MSBs Filed Majority of BSA Reports, Primarily Identified Funds Transfer Activity Across Fentanyl Supply Chain

Financial institutions filed 1,246 BSA reports between January and December 2024 identifying transactions occurring across the fentanyl supply chain, including the procurement of precursor chemicals, the trafficking of fentanyl, and the laundering of illicit proceeds. Depository institutions filed 57 percent of fentanyl-related BSA reports in the dataset, and MSBs filed 32 percent of the reports. Other types of financial institutions, including casinos and those dealing with securities and futures, submitted roughly 11 percent of the BSA reports.

- FinCEN identified electronic funds transfers (EFTs), referenced in 80 percent of the BSA reports, as the most common payment mechanism in fentanyl-related BSA reporting. Cross-border EFTs, including wire transfers conducted by depository institutions and MSB funds transfers, demonstrate the cartels’ reliance on the U.S. financial system to move funds internationally to facilitate the fentanyl trade. P2P transfers were also identified as a common payment method tied to suspected fentanyl sales occurring within the United States.
- Suspicious cash transactions potentially linked to fentanyl trafficking-related activities were primarily reported by depository institutions, including instances of potential structuring. Casino filers also reported cash activity that may have been tied to illicit drug activity based on the filers’ identification of negative media associated with their patrons.

Geographic Trends in BSA Reporting Highlighted Precursor Chemical Sales, Suspected International Money Laundering Involving Mexico and the PRC

FinCEN analysis of BSA reporting identified Mexico and the PRC as the most frequently cited locations of companies and individuals reported in fentanyl-related filings with a foreign nexus. Illicit financial networks in these two countries underpin fentanyl production via the precursor chemical trade while also enabling the laundering of illicit proceeds through complex money laundering schemes and underground banking systems. BSA reports involving Mexico- and PRC-based subjects primarily reported MSB funds transfers and wire transfers conducted via U.S.-domiciled correspondent bank accounts held by Mexican and Chinese financial institutions.

BSA reporting also identified Hong Kong-based subjects potentially facilitating precursor chemical sales and money laundering. Hong Kong-based companies were often reported in conjunction with PRC-based subjects conducting similar financial activity or operating within the same financial networks. In some instances, Hong Kong-based entities were identified as branches or subsidiaries of PRC-based chemical companies suspected of supplying fentanyl precursor chemicals.

Figure 2. Top 10 Countries Identified in BSA Reports, by Subject Address Field, 2024¹²

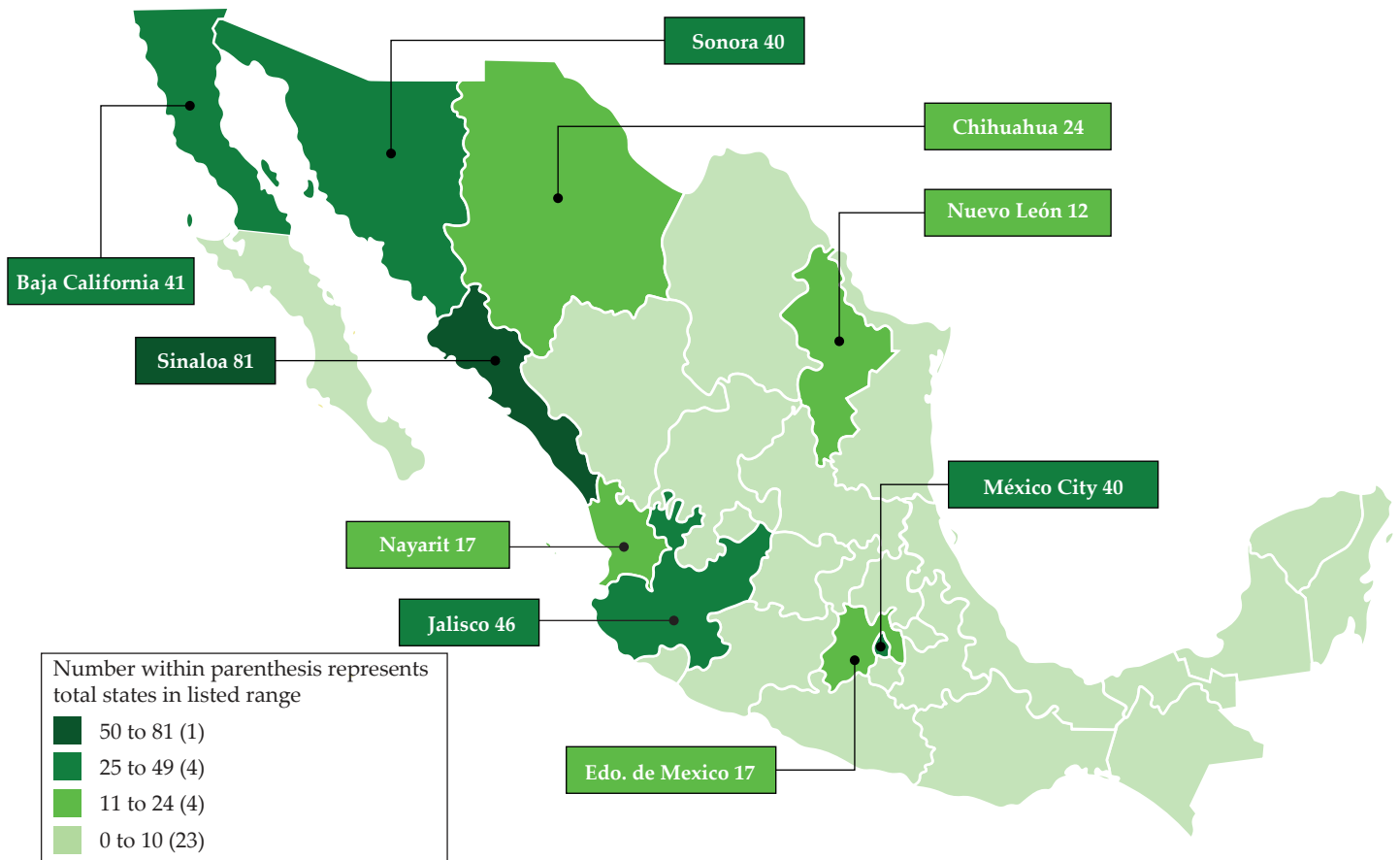
Country	BSA Report Count
United States	1,178
Mexico	101
PRC	71
Hong Kong	43
Canada	34
Dominican Republic	32
Colombia	26
United Kingdom	20
Spain	20
India	14

12. This table contains the number of BSA reports in which at least one subject was reported with a fixed field address in the above countries. Based on a review of the BSA reports within the dataset, filers completed this field where subject location could be identified. However, the subject may not be known or their information may not be available and/or reported in all instances. In addition, the identification of the United States as the most common jurisdiction is likely, in part, a reflection of the domestic nature of BSA reporting.

Mexico-Related BSA Reports Most Frequently Cited Subjects in Mexican States of Sinaloa and Jalisco

FinCEN analysis revealed nearly 32 percent of Mexico-based BSA report subjects in the dataset were concentrated in the Mexican states of Sinaloa and Jalisco, strongholds of the Sinaloa Cartel and CJNG.¹³ Additional clusters of addresses in Baja California, Sonora, and Chihuahua—border states that play a key role in narcotics smuggling—were identified in 27 percent of Mexico-based BSA report subjects.¹⁴ Subjects in Mexico City, the country’s main financial center, were reported in roughly 10 percent of the fentanyl-related BSA filings.

Figure 3. BSA Report Subjects, by Mexican States, 2024



13. See Drug Enforcement Administration, “National Drug Threat Assessment 2024,” May 2024, at pp. 4-8, https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NDTA-updated.pdf.

14. *Ibid.*

- Individuals in Sinaloa, Jalisco, and Mexico’s western border states were primarily identified as beneficiaries of MSB funds transfers from U.S.-based senders suspected of repatriating drug proceeds to Mexico and sourcing narcotics for distribution within the United States.
- BSA reporting identified Sinaloa- and Jalisco-based companies and individuals as the predominate remitters of bank wire transfers to suspected PRC-based precursor chemical suppliers. In one instance, a filer identified individuals with addresses in rural areas of Sinaloa—including small towns and municipalities—sending wire transfers to PRC-based chemical companies.
- In some instances, BSA filers identified subjects with addresses in key “plazas,” or towns, along the U.S.-Mexico border in the states of Baja California, Sonora, and Chihuahua.¹⁵ The Mexican cartels and associated criminal organizations often stage drug shipments, including fentanyl, in these areas before smuggling them into the United States.¹⁶

Mexican Cartels and Chemical Brokers Leveraged Front Companies, Money Mules, and U.S.-Based Intermediaries to Procure Fentanyl Precursor Chemicals

BSA filers reported suspicious activity related to Mexico-based companies and individuals remitting funds to PRC-based chemical manufacturers, or their associates, potentially for precursor chemical procurement. While the exact chemicals exported from the PRC may have been unclear to some BSA filers, the financial activity was often flagged due to the filers’ identification of risk factors including the movement of funds between certain geographic corridors (e.g., Sinaloa, Mexico to the PRC), anomalous transactional patterns, the involvement of Chinese chemical and pharmaceutical entities, and opaque Mexico-based senders without an apparent connection to the chemical industry or proper registration for importing chemical products.¹⁷ In addition, filers identified open-source advertisements for known precursor chemicals and found connections to entities previously charged in connection with or sanctioned for fentanyl-related activity.

15. A “plaza” is a specific territory controlled by a cartel in Mexico, located in a strategic geographic location, often directly south of a U.S. border crossing. See U.S. Customs and Border Protection, “Operation Plaza Spike Fact Sheet,” 13 November 2024, <https://www.cbp.gov/border-security/frontline-against-fentanyl/operation-plaza-spike-fact-sheet#:~:text=What%20is%20a%20plaza%3F,27%20plazas%20operating%20in%20Mexico>.

16. See Drug Enforcement Administration, “National Drug Threat Assessment 2024,” May 2024, p. 9, https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NDTA-updated.pdf.

17. Mexican companies that import sector-specific goods, including chemical products, are required to register with Mexico’s Tax Administration Service. See International Trade Administration, Mexico – Country Commercial Guide, “Import Requirements and Documentation,” 5 November 2023, <https://www.trade.gov/country-commercial-guides/mexico-import-requirements-and-documentation>.

- BSA filers reported financial activity involving purported Mexican chemical brokers, individuals that operate as intermediaries between chemical suppliers and the drug producers ultimately synthesizing fentanyl.¹⁸ For instance, a BSA filer identified a network of front companies utilized by a suspected chemical broker to obfuscate illicit payments to overseas chemical suppliers. In another BSA report, a filer identified a purported Mexico-based chemical importation business—established only one year prior and potentially operating as a shell company—transacting exclusively with a single PRC-based chemical distributor. Suspected Mexico-based front companies in BSA reporting ranged from seemingly legitimate chemical importers to firms operating in disparate industries such as construction, marketing, and hardware.
- Mexico-based individuals, including individuals identified by filers as potential money mules or *prestanombres* (loosely translated as “straw buyers”), conducted suspected precursor chemical payments, according to BSA reporting. Filers often cited the use of generic payment instructions (*i.e.*, “goods” or “services”) and sporadic periods of account dormancy (*i.e.* limited transactional activity beyond a one- to two-month window of conducting suspicious chemical-related payments).¹⁹ BSA reporting also identified instances in which networks of Mexico-based individuals concentrated in certain areas—such as Culiacan, Sinaloa—remitted bank wire transfers to the same PRC-based chemical supplier, exhibiting a many-to-one typology.²⁰
- FinCEN identified examples in BSA reporting where suspected Mexico-based chemical brokers and their associated criminal networks shifted to using U.S. intermediaries to send payments to precursor chemical suppliers in 2024. For instance, one filer identified a Mexico-based company previously sending suspected precursor chemical payments directly to the PRC before leveraging a U.S.-based company, owned by a Chinese national, as an apparent intermediary. Another filer identified a suspected Mexican money laundering organization routing a portion of its illicit proceeds to a U.S.-based front company potentially facilitating precursor payments to PRC-based companies.

18. In July 2023, Mexican chemical broker Javier Algreto Vazquez was convicted of charges related to methamphetamine importation and money laundering. Algreto Vazquez imported over 5 million kilograms of chemicals into Mexico for the CJNG, including enough precursors to produce over 700 million doses of methamphetamine and over 2 billion doses of fentanyl. Algreto Vazquez also transferred millions of dollars from the United States to chemical suppliers in China and India to procure the chemicals. See U.S. Department of Justice, “Precursor Chemical Broker Sentenced for Methamphetamine Importation and Money Laundering Conspiracies,” 23 February 2024, <https://www.justice.gov/archives/opa/pr/precursor-chemical-broker-sentenced-methamphetamine-importation-and-money-laundering>.

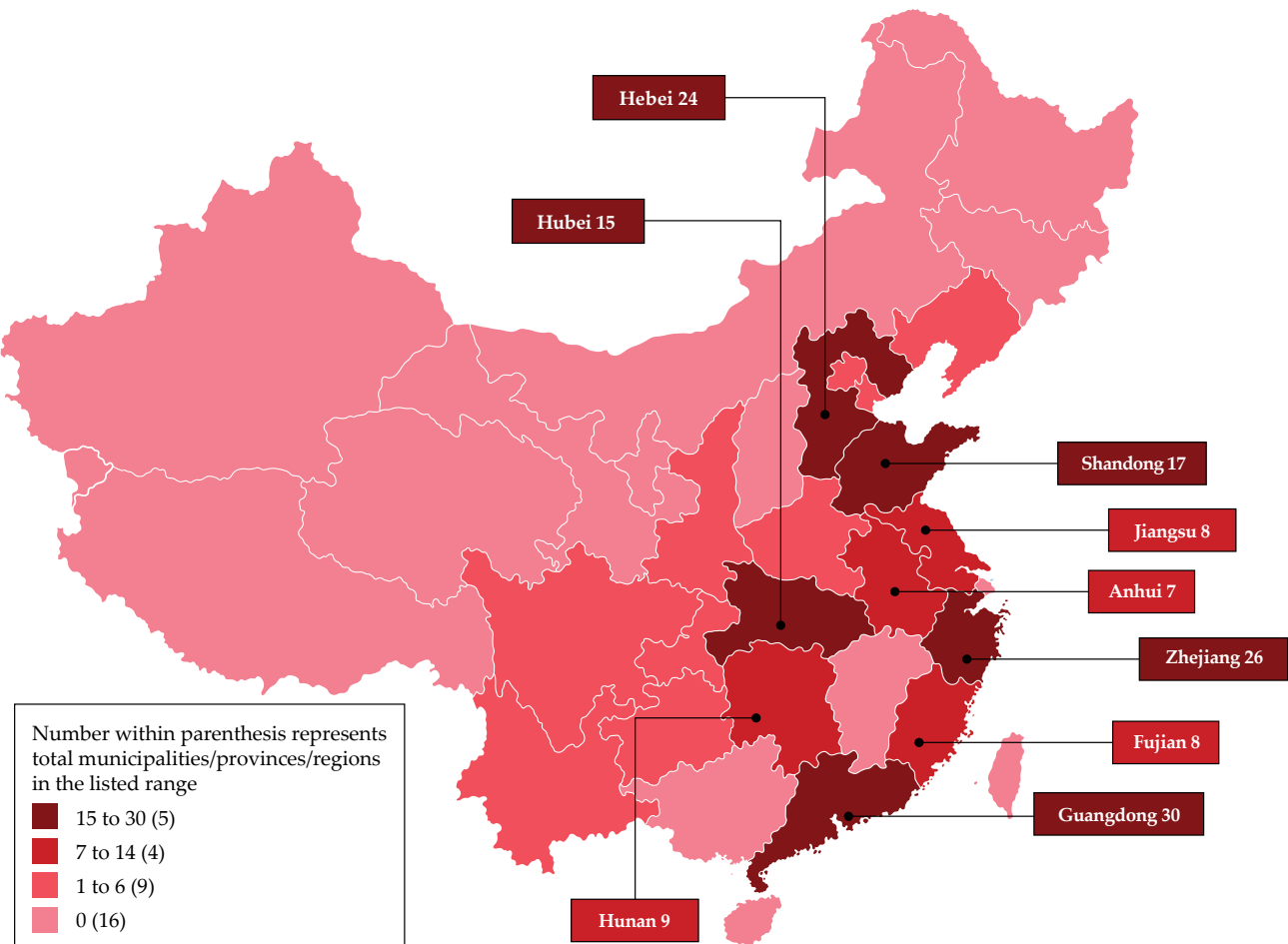
19. Payments instructions, such as memos included with wire transfers, often reference purposes of payment and/or invoice numbers for legitimate commercial activity.

20. A many-to-one typology describes instances in which suspicious payments are remitted from multiple originators to a single beneficiary. This may be done to layer—or “break up”—the total volume of money being transferred in an effort to avoid detection.

PRC-Based Subjects Used E-Commerce to Market Fentanyl Precursor Chemicals

BSA reporting underscored the PRC’s role as the primary source country for fentanyl precursor chemicals and pill press machinery used to produce counterfeit, fentanyl-laced pills.^{21, 22} Filers also identified PRC-based subjects in reported money laundering activity, including suspected TBML schemes that leveraged the Chinese export sector. FinCEN analysis identified that nearly 50 percent of PRC-based subjects in the dataset were located in the provinces of Guangdong, Zhejiang, and Hebei. In addition, the cities of Wuhan (Hubei province) and Shijiazhuang (Hebei province) were tied for the most BSA report subjects by city.

Figure 4. BSA Report Subjects, by PRC Provinces and Municipalities, 2024



21. In October 2023, eight PRC-based chemical companies and associated Chinese nationals were charged with crimes relating to fentanyl and methamphetamine production, distribution of synthetic opioids, and sales resulting from precursor chemicals. See U.S. Department of Justice, “Justice Department Announces Eight Indictments Against China-Based Chemical Manufacturing Companies and Employees,” <https://www.justice.gov/archives/opa/pr/justice-department-announces-eight-indictments-against-china-based-chemical-manufacturing>.
22. PRC-based companies also advertise pill binding agents and punch die molds which, in addition to pill press machines, are purchased and utilized by Mexico- and U.S.-based fentanyl traffickers in the production of counterfeit pills. See Drug Enforcement Administration, “Pill Press Photo Gallery,” <https://www.dea.gov/pill-press-photo-gallery>.

FinCEN analysis indicated suspected PRC-based precursor chemical suppliers, including individuals associated with these companies, accepted a wide range of payments. Bank wire transfers were identified in 83 percent of filings involving PRC-based chemical suppliers, but MSB payments comprised of traditional funds transfers, online payment platforms, and CVC were also noted. In addition, BSA filers reported on the role of e-commerce in facilitating the PRC’s precursor chemical trade. Filers’ identification of suspicious activity appeared to have been aided by monitoring PRC-based chemical companies’ online activity, including advertisements on e-commerce platforms, product listings on the companies’ websites, and pointed language guaranteeing customs clearance.²³

- BSA filers identified instances in which suspected payments for precursor chemicals were sent to PRC-based individuals who were purportedly owners or employees of chemical companies. Filers appeared to make these connections primarily based on phone numbers and e-mail addresses, collected for due diligence purposes, that were matched with contact information listed on chemical companies’ websites or advertisements on e-commerce platforms.
- Filers often noted the use of Chemical Abstracts Service (CAS) numbers associated with fentanyl precursors in open-source advertisements. CAS numbers are unique numerical identifiers assigned to chemical substances, but criminals may use them in an attempt to evade scrutiny from authorities by omitting explicit references to fentanyl.²⁴ In some instances, BSA filers reported CAS numbers for fentanyl precursors referenced in payment instructions or in invoices provided to filers by their clients.

Figure 5. Fentanyl Precursor Chemicals Referenced in BSA Reports, 2024

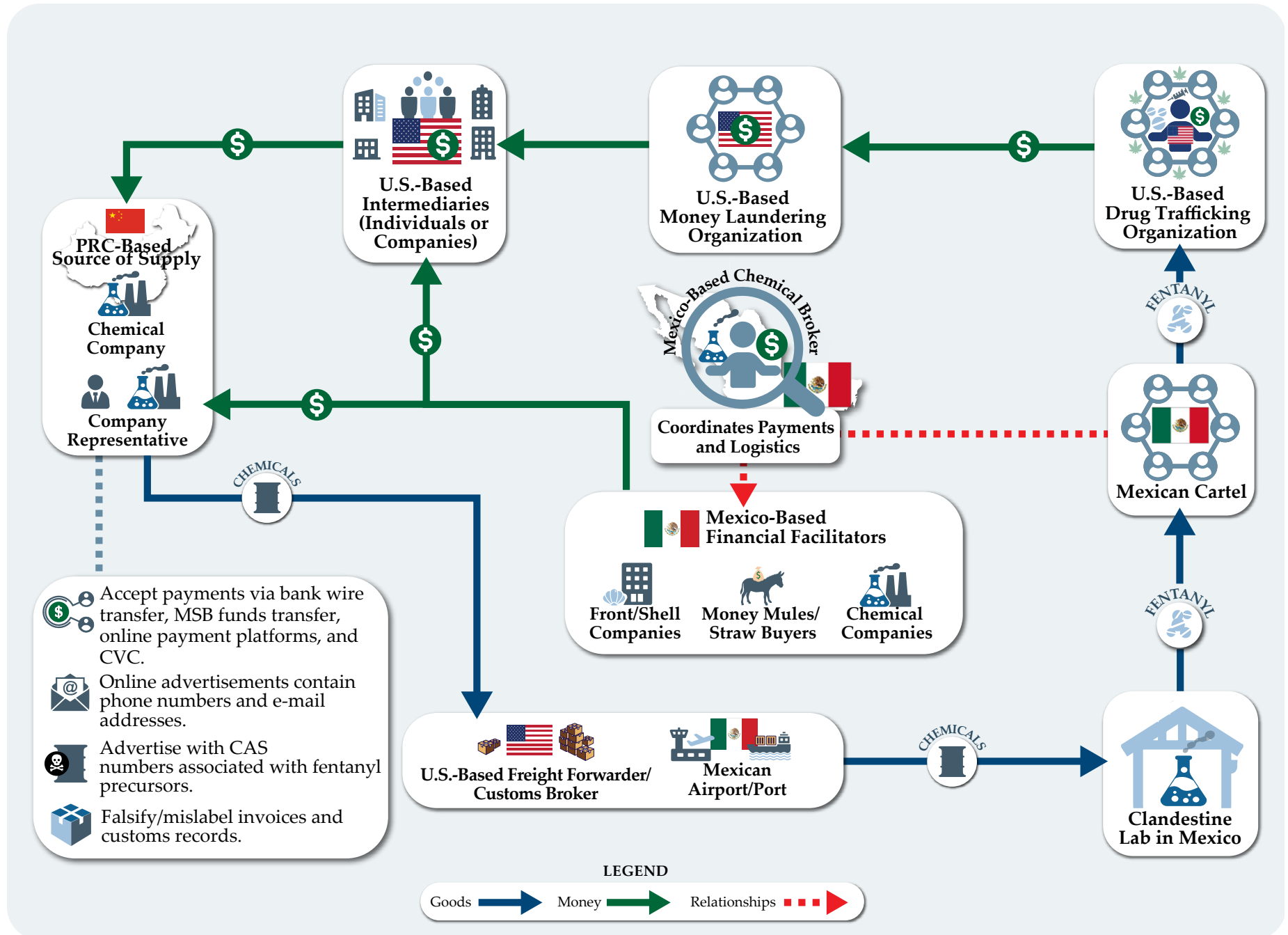
Chemical Name	CAS Number
1-Boc-4-piperidone	79099-07-3
4-Anilinopiperidine	99918-43-1
4-Piperidone monohydrate hydrochloride	40064-34-4
1-Boc-4-(2-fluoro-phenylamino)-piperidine	887583-57-5
1-Benzyl-4-piperidone	3612-20-2
(2-chloroethyl)-benzene	622-24-2
(2-bromoethyl)-benzene	103-63-9

23. FinCEN, in support of U.S. law enforcement, has observed various methods utilized by precursor chemical suppliers to successfully evade detection by customs authorities. For example, Chinese national Minsu Fang was charged with selling more than 2,000 kilograms of fentanyl precursors in July 2024 after he and his co-conspirators evaded law enforcement interdiction of the shipments by declaring them to have a de minimis value, less than \$800, and commingling the boxes containing the precursor chemicals with similarly low-value goods. See U.S. Department of Justice, “Chinese National Indicted for Importation of Enough Chemicals to Make Millions of Fatal Doses of Fentanyl,” 22 July 2024, <https://www.justice.gov/archives/opa/pr/chinese-national-indicted-importation-enough-chemicals-make-millions-fatal-doses-fentanyl>.

24. See American Chemical Society, “CAS Registry,” <https://www.cas.org/cas-data/cas-registry>.

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Figure 6. Fentanyl Precursor Chemical Money Flows in BSA Reports, 2024



Other Foreign Touchpoints Highlighted Alternative Sources of Precursor Chemicals and Fentanyl, Including Illicit Online Pharmacies

Canada-based subjects were primarily identified by BSA filers due to their suspected involvement in drug trafficking organizations allegedly sourcing fentanyl and other drugs from traditional drug source countries, such as Mexico.²⁵ In addition, several BSA reports identified activity potentially indicative of Canada-based individuals and companies purchasing precursor chemicals and laboratory equipment that may be related to the synthesis of fentanyl in Canada. Canada-based subjects were primarily reported with addresses in the provinces of British Columbia and Ontario.

Dominican Republic- and Colombia-based subjects were primarily listed in BSA reports that identified MSB funds transfers linked to suspected drug trafficking organizations operating in the United States. FinCEN analysis noted certain BSA filings by MSBs identified suspicious activity involving U.S.-based subjects arrested for allegedly trafficking various types of narcotics including fentanyl, methamphetamine, cocaine, and heroin. In addition, BSA reports with Dominican Republic-based subjects referenced online pharmacies suspected of facilitating the sale of counterfeit opioid pills often laced with fentanyl.²⁶

BSA reporting also highlighted India's role as a supplier of fentanyl precursor chemicals, though its involvement is less extensive than that of the PRC, as observed in BSA reports.^{27, 28} Filers identified suspicious activity involving purported India-based chemical and pharmaceutical companies, and associated individuals, receiving bank wire transfers and MSB funds transfers potentially linked to the sale of precursor chemicals. In some instances, India-based subjects appeared to be associated with online pharmacies that also advertised counterfeit opioid products potentially containing fentanyl.

25. See U.S. Department of State, "International Narcotics Control Strategy Report," March 2024, p. 253, <https://www.state.gov/wp-content/uploads/2025/01/2024-INCSR-Vol-1-Drug-and-Chemical-Control-Accessible-Version.pdf>.

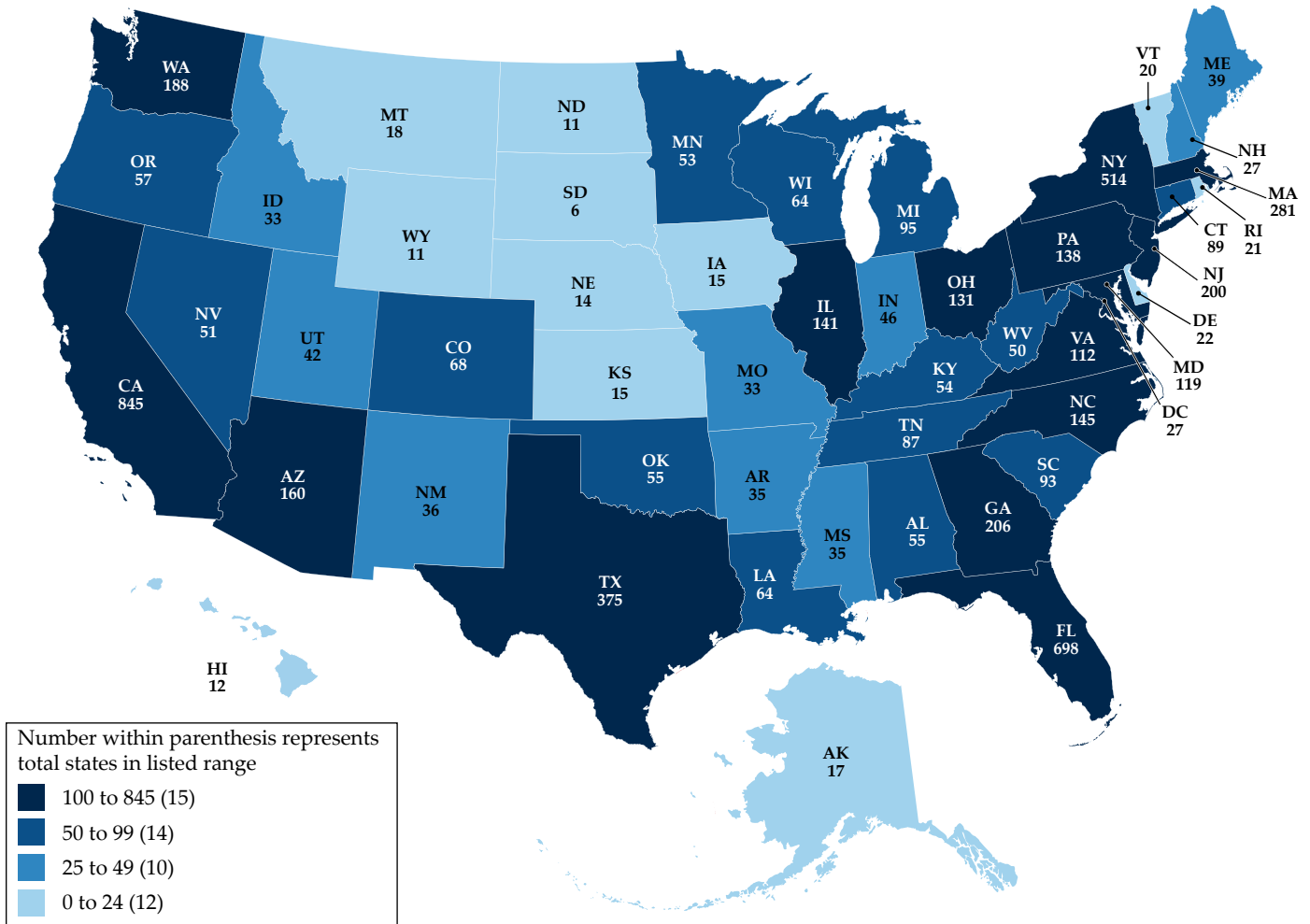
26. Although the majority of illicit fentanyl is produced by Mexican cartels to be smuggled in bulk into the United States, DEA has also noted an increase in illegal online pharmacies selling and shipping counterfeit pills made with fentanyl to unsuspecting customers in the United States who believe they are purchasing real pharmaceutical drugs. See Drug Enforcement Administration, "DEA Issues Warning About Illegal Online Pharmacies," 4 October 2024, <https://www.dea.gov/alert/dea-issues-warning-about-illegal-online-pharmacies>.

27. See Drug Enforcement Administration, "National Drug Threat Assessment 2024," May 2024, p. 7, https://www.dea.gov/sites/default/files/2025-02/508_5.23.2024%20NDTA-updated.pdf.

28. In January 2025, an Indian national and two India-based companies, Raxuter Chemicals and Athos Chemicals, were charged with criminal conspiracies to distribute and import fentanyl precursor chemicals to the United States. See U.S. Department of Justice, "Two Indian Chemical Companies and a Senior Executive Indicted for Distributing Fentanyl Precursor Chemicals," 6 January 2025, <https://www.justice.gov/usao-edny/pr/two-indian-chemical-companies-and-senior-executive-indicted-distributing-fentanyl>.

BSA Reporting Identified Fentanyl-Related Financial Trends in the United States

Figure 7. BSA Filing Subjects, by U.S. States, 2024



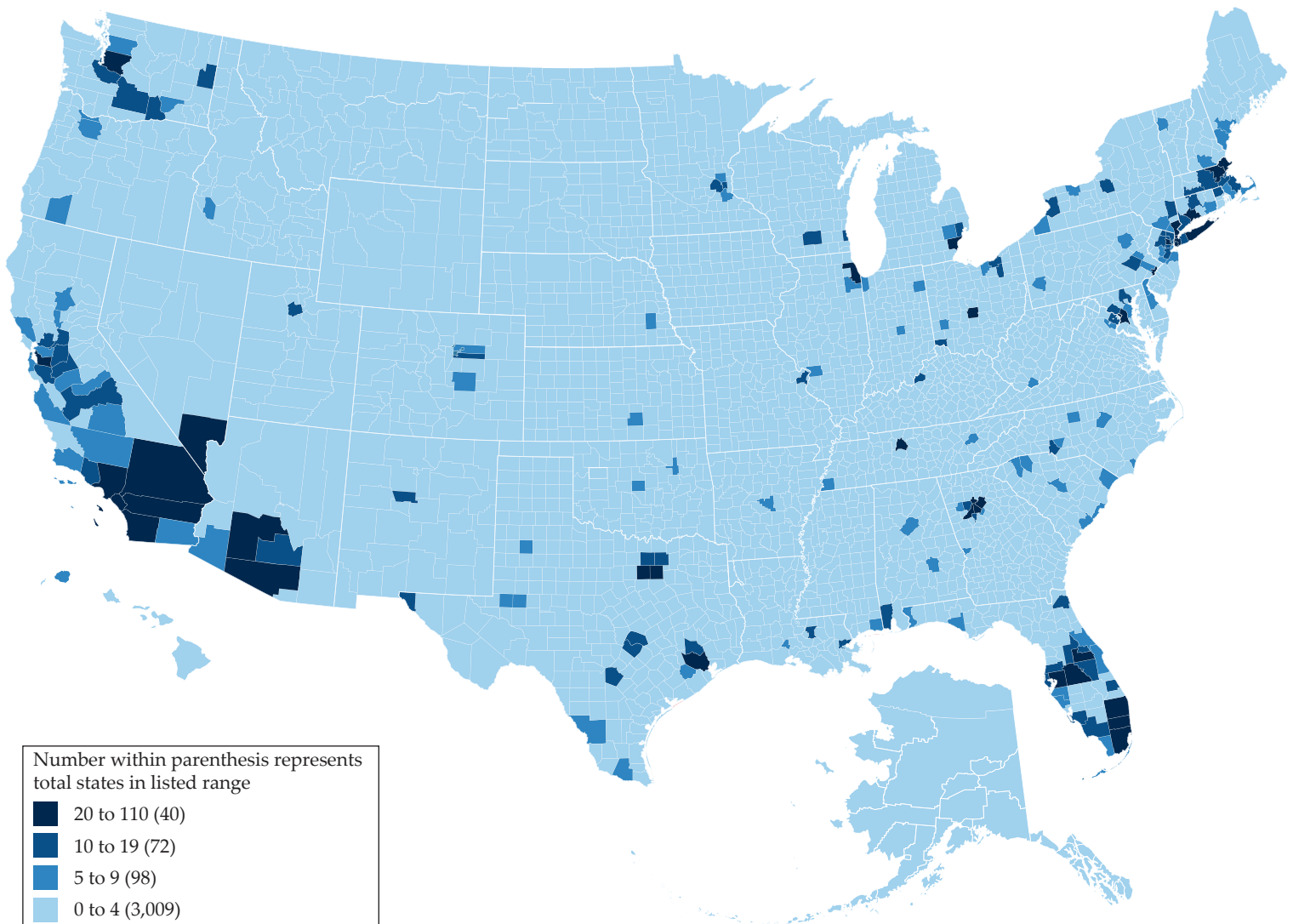
California, Florida, and New York Most Frequently Reported Locations in Fentanyl-Related BSA Reports

Financial institutions reported fentanyl-related financial activity or BSA report subjects linked to every U.S. state and Washington, D.C. FinCEN analysis of BSA reporting in the dataset identified subjects primarily with addresses in California, Florida, and New York. In addition, other states with large urban areas that have established drug distribution networks and can serve as collection points for the laundering of illicit proceeds — such as Texas, Massachusetts, Georgia, Washington, and Illinois — also prominently featured BSA report subjects.

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- Counties in California (i.e., Los Angeles, Orange, Riverside, San Bernardino, and San Diego) and Arizona (i.e., Maricopa and Pima) near the southwest border were listed in the address fields for over 20 different subjects identified in the BSA reports related to fentanyl during the review period.
- BSA report subjects in Florida were primarily concentrated in the Miami metropolitan area, including Broward, Miami-Dade and Palm Beach counties. Hillsborough, Orange, and Polk counties also had at least 20 subjects.
- Bronx, Kings, and Queens counties in New York each had over 50 BSA report subjects in the dataset. In addition, New York, Suffolk, and Westchester counties each had at least 20 subjects.
- Cook County in Illinois, which includes Chicago, was home to the third most BSA report subject addresses in the dataset (after Los Angeles and Miami-Dade counties, respectively).

Figure 8. BSA Report Subjects, by U.S. Counties, 2024



Suspected U.S.-Based Fentanyl Traffickers Primarily Transacted in Cash and P2P Transfers

FinCEN analysis of BSA reports involving domestic suspected fentanyl trafficking identified that cash and P2P transfers were the most commonly referenced financial mechanisms. Cash activity was referenced in 54 percent of such BSA filings involving suspected U.S.-based fentanyl traffickers, while P2P transfers were noted in 51 percent.²⁹ Filers often cited prior drug-related criminal records and recent criminal charges involving their customer(s) to connect the reported financial transactions to potential fentanyl-related activity.

- BSA filers reported suspected cash deposit structuring activity in nearly 20 percent of cash-related filings.³⁰ This included BSA report subjects splitting deposits between multiple bank branch locations, as well as conducting deposits via Automated Teller Machines. In some instances, filers suspected the comingling of licit and illicit funds in business checking accounts potentially linked to fentanyl trafficking and money laundering. For example, FinCEN analysis noted at least 30 references to trucking and transportation companies—many of which were reported for suspicious cash transactions—amongst BSA reports in the dataset.
- FinCEN analysis of BSA reporting indicates that U.S.-based fentanyl traffickers potentially utilized electronic payment methods, including P2P platforms, as a potential placement point for illicit fentanyl proceeds into the U.S. financial system. Based on the range of reported amounts in BSA reports, utilization of these platforms for suspected fentanyl trafficking purposes potentially varies from street level dealers to small distributors.
- In certain BSA reports, filers reported P2P transfers that contained payment memos such as “blues” and “ills” which, in addition to blue dot emojis, are common euphemisms for counterfeit opioid pills that contain fentanyl.^{31, 32} Some suspected traffickers also overtly mentioned fentanyl and other illicit drugs in chats or messages on platforms that support both communication and financial transactions.

29. Some BSA reports identified subjects conducting both cash and P2P activity.

30. Regulations implementing the BSA require financial institutions to file Currency Transaction Reports (CTRs) for cash transactions in excess of \$10,000 by, through, or to such financial institutions. Structuring occurs when cash transactions are broken up for the purpose of evading the CTR requirement.

31. FinCEN analysis of BSA reporting identified other potential fentanyl-related references in financial transactions including blue robot and alien emojis, as well as gas pump and package emojis potentially in reference to the delivery or shipping of illicit drugs. Terms like “lows,” “shoes,” and “dirty” or “dirty 30s” (potentially an allusion to counterfeit M30 tablets containing fentanyl) were also noted.

32. See Drug Enforcement Administration, “Emoji Drug Code Decoded,” December 2021, <https://www.dea.gov/sites/default/files/2021-12/Emoji%20Decoded.pdf>.

CVC and Darknet Marketplace-Related Filings Primarily Referenced Bitcoin

FinCEN analysis of BSA reporting identified a potential nexus to CVC in nearly 10 percent of filings within the dataset, which primarily reported activity involving bitcoin. At least one type of CVC was mentioned in 85 percent of CVC-related BSA filings. The remaining 15 percent of CVC-related reports typically identified transfers of potentially illicit funds from traditional bank accounts to virtual asset service providers (VASPs). In addition, roughly 15 percent of the CVC-related reports noted activity involving darknet marketplaces suspected of facilitating fentanyl sales.

- FinCEN analysis identified references to bitcoin in 86 percent of BSA reports that referenced at least one type of CVC. In addition, other CVCs such as Ethereum and Litecoin were noted in 38 and 12 percent of CVC-related reports, respectively.
- Twenty different darknet marketplaces potentially facilitating the sale of fentanyl and other illicit drugs were referenced in BSA filings. Darknet marketplaces operate on the dark web and allow users to buy and sell illicit goods using CVCs and anonymizing technologies.³³ BSA filers identifying this activity were primarily VASPs that observed their clients, many of which had prior drug-related criminal records, transacting with CVC wallets tied to known darknet marketplaces.

Fentanyl-Linked Money Laundering Schemes Ranged from Simple to Complex

FinCEN analysis of BSA reporting found that methods to launder suspected fentanyl proceeds varied in sophistication. Simple schemes—which may have been facilitated by drug trafficking organizations themselves—included repatriation of suspected fentanyl proceeds through MSB funds transfers. BSA reports often identified instances of customers sending similar dollar amount transactions within a short time frame, often on the same days and minutes apart, to the same counterparties in Mexico. In one BSA report, a filer identified suspicious activity involving an MSB agent that conducted cash deposits funding outbound funds transfers to Mexico and Guatemala that were inconsistent with seasonal patterns the filer typically observed.

Complex money laundering schemes tied to suspected fentanyl proceeds were identified in reports with some of the largest reported amounts in the dataset. In these schemes, fentanyl traffickers appeared to outsource the laundering process to third-parties or PMLOs that leveraged TBML techniques to ultimately return value to the cartels.

33. See Federal Bureau of Investigation, “A Primer on Darknet Marketplaces,” 1 November 2016, <https://www.fbi.gov/news/stories/a-primer-on-darknet-marketplaces>.

Professional Money Laundering Organizations Played Key Role in Moving Suspected Fentanyl Proceeds

BSA reporting identified suspected PMLOs—including networks comprised of Chinese and Mexican nationals operating as money couriers—potentially facilitating the laundering of fentanyl proceeds. PMLOs are typically operated by money brokers that facilitate money laundering on behalf of clients, such as the cartels, that pay a fee for these services. Chinese money laundering organizations (CMLOs), a type of PMLO, operate within Chinese underground banking systems that enable Chinese nationals to acquire U.S. dollars (USD) in the United States while evading foreign exchange regulations in the PRC.³⁴ CMLOs often use mirror transfers, which involve the movement of renminbi (RMB) held in Chinese bank accounts by individuals purchasing USD in the United States. Funds transferred within the PRC can be used to pay for goods exported to Mexico for the benefit of the cartels and their business partners.³⁵

- BSA reporting identified networks of suspected CMLO money couriers, primarily individuals with Chinese passports, conducting suspicious financial transactions. The reported activity included large cash deposits into personal and business checking accounts, including accounts purportedly associated with legitimate businesses, such as restaurants and salons. Filers often noted these suspected couriers purchased cashier's checks with cash as a means of moving funds between bank accounts. In some instances, these CMLO networks were identified receiving large volumes of P2P payments from numerous third-party individuals and suspected shell or front companies for potential laundering purposes.
- One filer identified a network of suspected CMLO money couriers based on travel-related expenditures potentially indicative of conducting money pickups across the United States, including booking unusual multi-leg trips to and from various major metropolitan areas. The filer noted large purchases with airlines, hotels, travel agency websites, tolls and parking meters, food delivery services, gas stations, and restaurants across the country.
- BSA reports also identified a suspected Mexican money laundering organization that leveraged a network of Mexican nationals to conduct money pickups throughout the United States. A filer indicated this organization appeared to use counterfeit Mexican passports to establish fictitious businesses and bank accounts that were ultimately used to receive suspicious cash deposits. The funds were subsequently remitted via bank wire transfers to several Mexico-based companies, including a purported financial technology firm.

34. PRC foreign exchange rules cap the maximum amount of RMB individuals are allowed to convert into other currencies at approximately \$50,000 per year. Chinese citizens are also restricted from directly transferring RMB abroad without prior approval from PRC's State Administration of Foreign Exchange (SAFE). See U.S. Department of State, "2024 Investment Climate Statements: PRC," 2024, <https://www.state.gov/reports/2024-investment-climate-statements/PRC/>.

35. FinCEN has previously detailed typologies related to TBML/Black Market Peso Exchange schemes involving Mexican criminal organizations. See "FinCEN Advisory to Financial Institutions on Illicit Financial Schemes and Methods Related to the Trafficking of Fentanyl and Other Synthetic Opioids," FinCEN Advisory #FIN-2019-A006, 21 August 2019, <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2019-a006>.

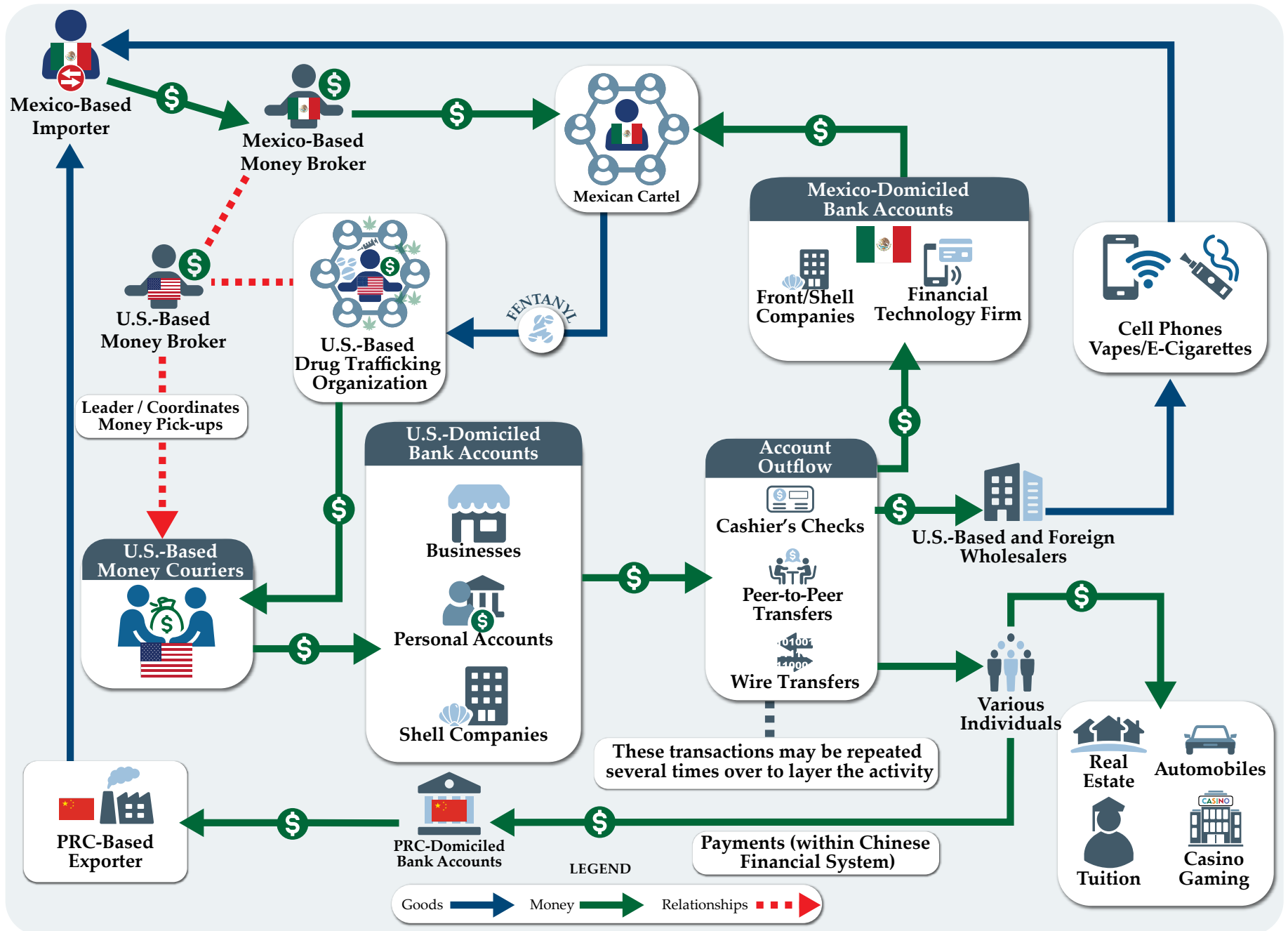
Suspected Trade-Based Money Laundering Schemes Leveraged Electronics and Vapes

BSA filers identified suspected cartel-linked TBML schemes that appeared to leverage strong consumer demand for electronics, including cellular phones, and vaping/e-cigarette devices.³⁶ Black Market Peso Exchange (BMPE)-related activity was also suspected by several filers that identified goods being shipped to drug-source countries, such as Mexico. Despite suspected TBML/BMPE only being referenced by BSA filers in 2 percent of the reports within the dataset, these reports accounted for nearly 42 percent of the aggregate reported amount.

- BSA reporting identified a suspected TBML/BMPE scheme involving a network of Colombia-, Mexico-, and U.S.-based companies purportedly involved in the wholesale acquisition of electronics and vaping/e-cigarette devices from a PRC-based supplier. The reported financial activity, which occurred between 2022 and 2024, identified U.S.-domiciled accounts receiving cash and checks deposits, automated clearing house (ACH), wire, and P2P transfers from numerous third parties that ultimately funded outgoing wire transfers to a PRC-based company. The filer noted the U.S.-based companies, owned by Chinese nationals, appeared to be linked via online banking logins conducted through a shared device, despite these companies being incorporated by seemingly unrelated individuals in different states.
- Another network of U.S.-based, wholesale electronics companies sharing common ownership was reported under the BSA for suspected TBML/BMPE activity in 2024. The involved bank accounts were primarily funded by large cash deposits and incoming ACH and wire transfers—often containing invoice numbers and references to “mobile phones”—from foreign companies located in Hong Kong, the United Arab Emirates, and Mexico (specifically Culiacan, Sinaloa). The filer further noted a pattern in which the reported BSA subjects had previously received round dollar wire transfers from other Mexico-based companies for a period of roughly two months before transactions with those counterparties ceased.

36. Media reporting suggests the cartels maintain significant interest in Mexico’s vape/e-cigarette market amid the Mexican government’s push to ban the importation and sale of such devices. See “Sinaloa Cartel Turf War Between Chapitos and Mayiza Expands to Mexico’s Contested Vape Market,” *The Latin Times*, 21 December 2024, <https://www.latintimes.com/chapitos-mayiza-turf-war-expands-mexicos-soon-illegal-e-cigarette-market-570005>.

Figure 9. Composite PMLO/TBML Money Flows in Fentanyl-Related BSA Filings, 2024



FINANCIAL TREND ANALYSIS

The information in this report is based on fentanyl-related information obtained from analysis of BSA data, and open-source publications, as well as insights from law enforcement and other partners. FinCEN welcomes feedback on this report, particularly from financial institutions. Please submit feedback to the FinCEN Regulatory Support Section at www.fincen.gov/contact.