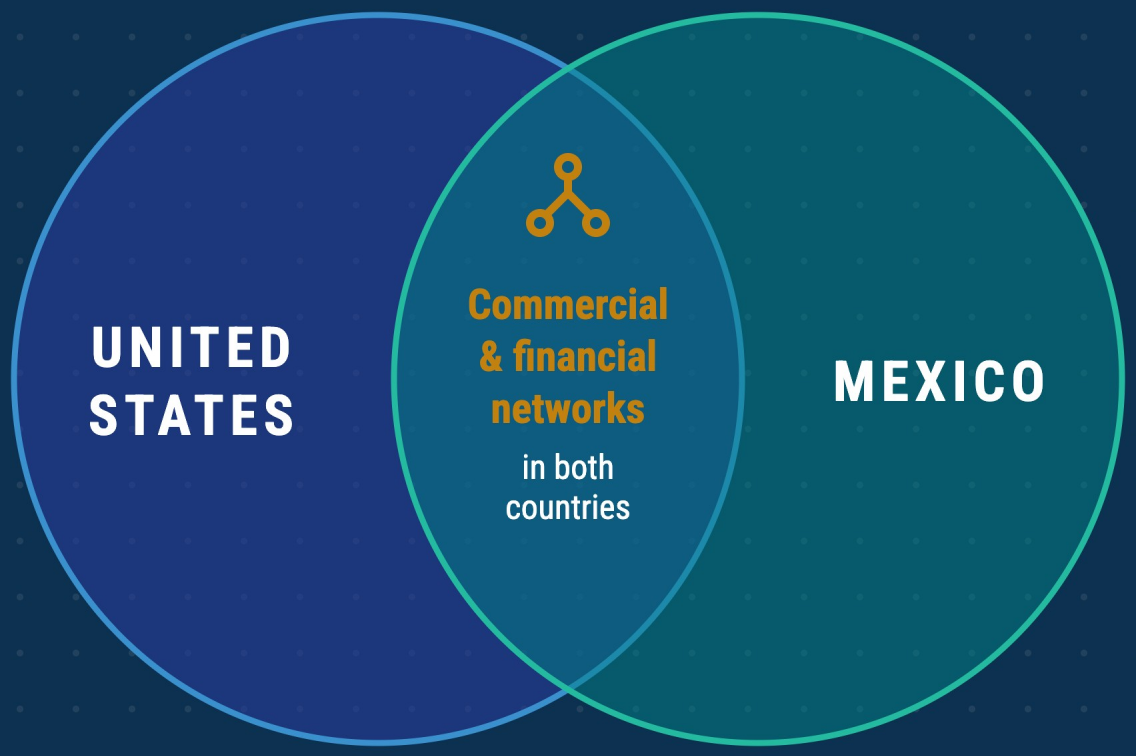
THE DIALOGUE | GLOBAL INITIATIVE

ENFORCEMENT | U.S. · MEXICO

Combating Huachicol:

U.S.–Mexico Enforcement Cooperation

WHY DOES BILATERAL COOPERATION MATTER?



Cross-border fuel smuggling and tax evasion generate **illicit revenue for criminal organizations** through commercial and financial networks operating in both countries.

Addressing these schemes requires coordinated:

- **Financial intelligence**
- **Investigations**
- **Enforcement**

COORDINATED FINANCIAL ENFORCEMENT

Joint action targeting CJNG-linked fuel smuggling networks

JUNE 30
2026

UNITED STATES

OFAC

SANCTIONS

Sanctioned two individuals and nine entities linked to CJNG fuel-smuggling operations.

FinCEN

FINANCIAL INTELLIGENCE

Issued an alert to help financial institutions identify suspicious transactions associated with fuel smuggling and tax evasion.

HSTF

FEDERAL INVESTIGATORS

A South Texas Homeland Security Task Force-led investigation involved multiple U.S. agencies, including:

DEA · FBI · HSI · IRS-CI · BIS · CBP

↑↓ JOINT ACTION

MEXICO

UNIDAD DE INTELIGENCIA FINANCIERA MÉXICO

Collaborated in developing the sanctions and added the 11 U.S.-designated subjects, along with nine additional individuals and entities, to its domestic blocked-persons list.

KEY FIGURES

11
U.S. sanctions designations

20
Mexican blocking-list additions

9
Additional targets identified by Mexico

FOLLOWING THE MONEY

Following the Money

Following FinCEN's May 2025 alert on fuel smuggling, financial institutions submitted:

160+

Suspicious Activity Reports (SARs)

$7B+

More than $7 billion in reported suspicious cross-border financial activity

These reports provided U.S. authorities with information about potentially illicit financial networks and transactions associated with fuel smuggling.

⚠ **Important distinction:** Suspicious financial activity does not necessarily represent confirmed illicit proceeds or established tax losses.

A PERSISTENT BILATERAL CHALLENGE

Extraditions

Despite progress in financial enforcement, extradition cooperation has faced significant obstacles.

MEXICO'S REQUESTS TO THE UNITED STATES

January 2018–May 2026

269 extradition requests

36
denied

233
pending

0
resulting transfers reported

OF THE 233 PENDING CASES

50 · provisional arrest requests for extradition purposes

CASE STUDY

The Jensen Family Case

The Jensen family, accused in the United States of involvement in oil-smuggling operations, became a point of contention in bilateral discussions.

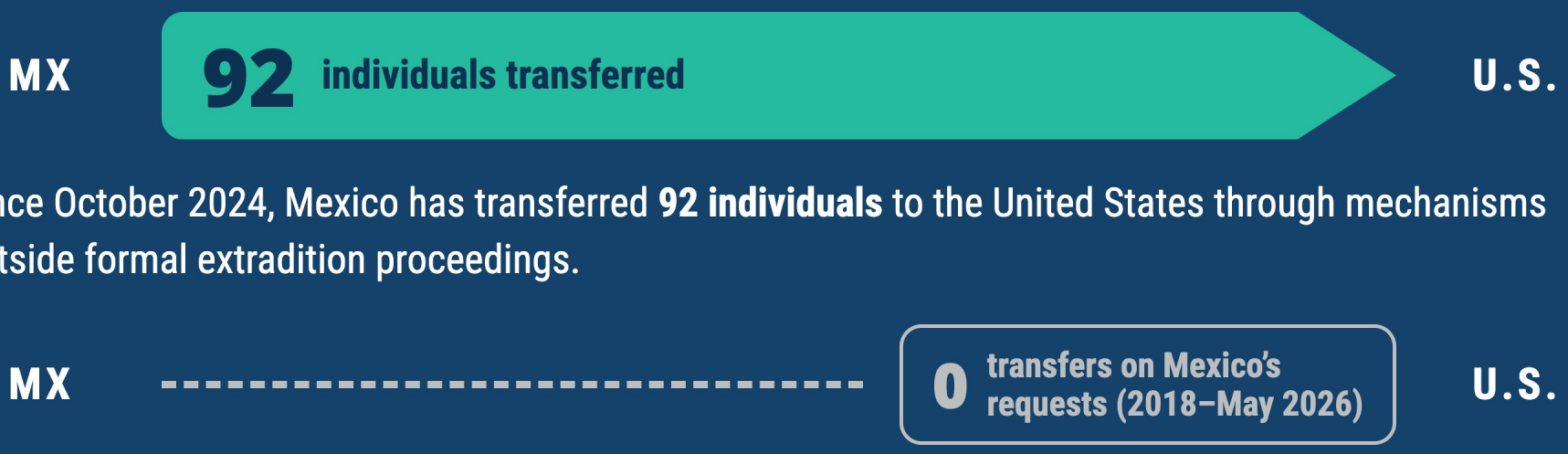
FEBRUARY 2026

President Claudia Sheinbaum stated that Mexico had sought their extradition.

HOWEVER

The family did not appear on the list of pending extradition requests. Mexican authorities subsequently clarified that no formal extradition request had been submitted.

TRANSFERS FROM MEXICO TO THE UNITED STATES



Since October 2024, Mexico has transferred **92 individuals** to the United States through mechanisms outside formal extradition proceedings.

These contrasting figures illustrate broader challenges in extradition cooperation, even as both countries coordinate on financial enforcement.

MEXICO

Mexico's Domestic Anticorruption Measures

AUGUST 4, 2026 **Transparency and Public-Sector Oversight**

President Claudia Sheinbaum signed a **decree strengthening transparency across federal government institutions**, with particular emphasis on:

- **Public procurement and government contracts**
- **Pemex and Federal Electricity Commission (CFE) subsidiaries**
- **Auditing and oversight mechanisms**
- **Greater transparency across public institutions**

Although not specifically directed at huachicol fiscal, the decree forms part of Mexico's broader efforts to strengthen institutional accountability and public-sector oversight.

KEY TAKEAWAY

Progress, with work still ahead

U.S.–Mexico cooperation has produced coordinated sanctions, financial intelligence sharing, and complementary enforcement actions against illicit fuel networks. Nevertheless, extradition disputes and institutional challenges underscore the need for sustained bilateral coordination and stronger domestic enforcement.

PRODUCED

- Coordinated sanctions
- Financial intelligence sharing
- Complementary enforcement actions against illicit fuel networks

CHALLENGES

- Extradition disputes
- Institutional challenges

THE NEED FOR

- Sustained bilateral coordination
- Stronger domestic enforcement

SOURCES

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[2] Presidencia de la República. "Presidenta Claudia Sheinbaum firma decreto para fortalecer la transparencia en el Gobierno de México." Press release, August 4, 2026. https://www.gob.mx/presidencia/prensa/presidenta-claudia-sheinbaum-firma-decreto-para-fortalecer-la-transparencia-en-el-gobierno-de-mexico

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