

## U.S. DEPARTMENT OF THE TREASURY

# Treasury Sanctions Lebanese Money Launderer Kassem Chams Who Moves Money on Behalf of Narcotics Trafficking Organizations and Hizballah

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**Washington** – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) identified Lebanese national Kassem Chams and designated the Chams Money Laundering Organization as Specially Designated Narcotics Traffickers (SDNT) pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act). OFAC also designated Chams Exchange, a money service business located in Chtaura, Lebanon.

OFAC also identified Kassem Chams and the Chams Money Laundering Organization as an affiliated network of Hizballah pursuant to the Hizballah International Financing Prevention Amendments Act (HIFPAA).

“Kassem Chams and his international money laundering network move tens of millions of dollars a month in illicit narcotics proceeds on behalf of drug kingpins and facilitate money movements for Hizballah. We are targeting the financial infrastructure of these narcotics traffickers as part of this administration’s unprecedented campaign to prevent Hizballah and its global terror affiliates from profiting off violence, corruption, and the drug trade,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “Treasury continues to aggressively use its tools to cut off global support networks used by Hizballah to finance its nefarious activities.”

Lebanese narcotics money launderer Kassem Chams is the owner of Chams Exchange, which launders drug proceeds throughout the world on behalf of narcotics trafficking organizations and facilitates money movements for Hizballah. Chams moves money to and from Australia, Colombia, Italy, Lebanon, the Netherlands, Spain, Venezuela, France, Brazil, and the United States as part of his narcotics money laundering activities. The Chams Money Laundering organization moves tens of millions of dollars a month for designated narcotics traffickers, such as the Colombian criminal group La Oficina De Envigado and Lebanese drug money launderer Ayman Said Joumaa. Joumaa was designated under the Kingpin Act in 2011 for laundering the proceeds of narcotics-related and other illicit activities—as much as \$200 million per month—

through various channels, including bulk cash smuggling operations and Lebanese money exchange houses. Joumaa's network is also linked to financing Hizballah. La Oficina de Envigado was designated under the Kingpin Act in 2014. Operatives for La Oficina play a major role in organized criminal activity, including narcotics trafficking, both within and outside of Colombia. Transnational criminal groups from outside of Colombia, including Mexico's Sinaloa Cartel, have come to rely upon operatives of La Oficina for support in trafficking narcotics throughout the world.

These OFAC sanctions are part of a joint effort with DEA's Project Cassandra, which targets Hizballah's global criminal support networks that operate as a logistics, procurement and financing arm for Hizballah and which are involved in the global movement of large quantities of narcotics and proceeds from narcotics sales. The DEA has determined that the Chams Money Laundering Organization launders a large portion of drug proceeds through Lebanon, which also benefits Hizballah.

The Chams Exchange operates under license and the supervision of the Central Bank of Lebanon (BdL) despite U.S authorities long suspecting it of being a significant third party money laundering operation. Treasury is committed to working with BdL to eliminate access to the Lebanese financial system by narcotics traffickers, money launderers, and terrorist groups such as Hizballah.

Today's OFAC designations were conducted in coordination with the DEA Special Operations Division's Counter Narco-Terrorism Operations Center, the DEA New Jersey Division, and the DEA Office of Global Enforcement, with assistance from the Treasury Department's Financial Crimes Enforcement Network.

Today's actions are part of ongoing efforts under the Kingpin Act to apply financial measures against significant foreign narcotics traffickers and their financial associates worldwide. Since June 2000, more than 2,100 entities and individuals have been named pursuant to the Kingpin Act for their role in international narcotics trafficking. Penalties for violations of the Kingpin Act range from civil penalties of up to \$1,466,485 per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines up to \$5 million. Criminal fines for corporations may reach \$10 million. Other individuals could face up to 10 years in prison and fines pursuant to Title 18 of the United States Code for criminal violations of the Kingpin Act.

The Treasury Department continues to prioritize disruption of the full range of Hizballah's illicit financial activity and has designated more than 40 Hizballah-affiliated individuals and entities

since 2017.

As a result of today's actions, any assets of the designated individual or entities in the United States or in the possession or control of a U.S. person must be blocked and reported to OFAC. OFAC's regulations generally prohibit all dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked persons.

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

To view the Kingpin Act chart on individuals and entities designated today, click [here](#) .

For more information about the Kingpin Act, click [here](#).

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