

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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MEMORANDUM

April 21, 2023

To: Members, Subcommittee on Health Care and Financial Services

From: Committee Staff

Re: Hearing on “China in Our Backyard: How Chinese Money Laundering Organizations Enrich the Cartels.”

On Wednesday, April 26, 2023, at 2:00 p.m. ET, in room 2247 of the Rayburn House Office Building, the Oversight and Accountability Subcommittee on Health Care and Financial Services will host a hearing on “China in Our Backyard: How Chinese Money Laundering Organizations Enrich the Cartels.”

I. BACKGROUND:

In late 2015, federal law enforcement agents and government analysts noticed an unexpected shift in the money laundering operations of drug cartels based in Mexico: Money runners began dropping off their illicit funds with brokers who were nationals of the People’s Republic of China. Today, Chinese money laundering organizations (MLOs) dominate the black market network for cartels by offering laundering services that are faster at a fraction of the price. The Chinese MLOs’ efficiency and cost effectiveness have enriched the cartels and provide a tragically stable and difficult-to-identify financial structure that allows traffickers of fentanyl, cocaine, heroin, and other narcotics to poison and kill Americans.

II. HEARING PURPOSE:

The hearing will examine the role of Chinese MLOs in the trafficking of illicit narcotics and identify strategies that Congress and the Biden Administration can adopt to crack down on criminal financial networks.

III. WITNESSES:

1. **Mr. Christopher Urban** – Former Assistant Special Agent in Charge, Special Operations Division, U.S. Drug Enforcement Administration
2. **Mr. Anthony Ruggiero** – Former Deputy Assistant to the President, Senior Director for Counterproliferation and Biodefense, National Security Council