



Strategic Perspective: Executive Analytical Report

13 April 2020

(U//FOUO) COVID-19 Very Likely Will Disrupt Operations of Some Transnational Criminal Organizations, Causing a Shift in Methodologies


(U//FOUO) The FBI assesses COVID-19 very likely will disrupt the operations of some transnational criminal organizations (TCOs) present in the United States, causing them to adapt their methodologies, particularly those engaged in crimes that require the crossing of physical borders, such as drug trafficking, alien smuggling, and some types of money laundering. TCOs likely will find new opportunities in COVID-19 to engage in fraud and theft directly related to the pandemic, such as selling counterfeit pharmaceuticals and stealing medical supplies. The FBI has medium confidence in this assessment, based on a body of HUMINT, law enforcement, and open source reporting. An increasing awareness of a shift in methodologies allows FBI agents and analysts to anticipate threats, and to engage in targeted collection.

(U//FOUO) *Key Assumptions:* TCOs persist in carrying out criminal activity despite restrictions on their travel and the risk of members contracting COVID-19. TCOs surge on more profitable activities as another way to adapt to changing circumstances. Indicators of these assumptions being correct include reporting on TCOs engaging in ongoing criminal activities across the border, and increasing their involvement in criminal activities that might not involve border crossing, such as fuel theft and extortion. Indicators of these assumptions being incorrect include reporting on the inability of TCOs to raise revenue, and the widespread incapacitation of TCO members and associates due to illness. If the key assumptions turn out to be unfounded, it would significantly undermine the assessment in this product.

(U//FOUO) *Analysis of Alternatives:* The FBI considered the possibility TCOs will weather the pandemic by continuing with operations as usual, persisting in current methodologies and absorbing any reductions in revenue. The FBI considers this to be highly unlikely because TCOs are highly motivated by profit. Historically, they have displayed a willingness and the ability to adapt to changing circumstances and take advantage of new opportunities to increase revenue. Recent examples include surging production and dissemination of synthetic opioids, and using cryptocurrency to launder criminal proceeds.

Prepared by Bureau Intelligence Council and Criminal Investigative Division

(U//FOUO) Likely COVID-19 Impacts on Select Criminal Activities

 <p>(U) Drug Trafficking</p> <p>COVID-19 Impact</p> <p>(U) Drug Supply Chain</p> <ul style="list-style-type: none"> China's exports dramatically decreased due to the pandemic. It is the primary source country for synthetic opioids such as fentanyl, as well as precursors for synthetic opioids and methamphetamine. (U) Border Crossings The United States closed its borders with Canada and Mexico to non-essential travelers; commercial traffic is still permitted. <p>Near Term Implications present to 6 months</p> <ul style="list-style-type: none"> (U//LES) Supplies of synthetic opioids and methamphetamine almost certainly will decrease, causing TCOs to raise prices. Heroin and cocaine usage might increase as users look for replacement drugs at more reasonable prices. (U//FOUO) To move drugs into the United States, TCOs likely will increasingly use tunnels and commercial vehicles at ports of entry (rather than passenger vehicles and individual courier). <p>Long Term Implications 6 months to 2 years</p> <ul style="list-style-type: none"> (U//FOUO) The predicted global recession very likely will lead to an increase in drug usage, increasing revenue to TCOs engaged in drug trafficking. (U//FOUO) COVID-19 will strain US government resources, probably diverting money from social programs such as drug treatment and ensuring that the user population will not decrease. 	<p>(U) Alien Smuggling</p> <p>COVID-19 Impact</p> <p>(U) Border Crossings</p> <ul style="list-style-type: none"> The United States closed its borders with Canada and Mexico to non-essential travelers; commercial traffic is still permitted. Visitors from select countries cannot enter the United States. Airlines reduced the number of flights offered globally. <p>Near Term Implications present to 6 months</p> <ul style="list-style-type: none"> (U//FOUO) Because of the difficulty of entry, alien smugglers likely will increase their rates for moving people into the United States. (U//FOUO) Alien smugglers likely will be unwilling or unable to prevent the spread of COVID-19 among those they transport, potentially leading to additional cases among those entering the United States. <p>Long Term Implications 6 months to 2 years</p> <ul style="list-style-type: none"> (U//FOUO) COVID-19 likely will overwhelm the health systems of many Latin American countries. Independent of COVID-19, Venezuela's health system is already collapsing and Venezuelan migrants are straining the resources of neighboring countries. Deteriorating conditions in Latin America, combined with existing instability, likely will lead to an increase in attempts to migrate to the United States, benefiting alien smuggling organizations. 	<p>(U) Money Laundering</p> <p>COVID-19 Impact</p> <p>(U) Border Crossings</p> <ul style="list-style-type: none"> The United States closed its borders with Canada and Mexico to non-essential travelers; commercial traffic is still permitted. Visitors from select countries cannot enter the United States. Airlines reduced the number of flights offered globally. (U) Economic Instability Restrictions on non-essential activities to slow the spread of COVID-19 have caused many businesses to close. (U) Supply Chain China's exports dramatically decreased. <p>Near Term Implications present to 6 months</p> <ul style="list-style-type: none"> (U//FOUO) TCOs and their laundering service providers likely will reduce their use of money mules and bulk cash smuggling due to the difficulty of crossing the border. Fearful, currency spreads the virus also might lead launderers to avoid it. (U//FOUO) Due to Chinese supply chain disruptions, trade-based-money launderers likely will switch to using goods from other countries or employ other laundering methods. (U//FOUO) The lack of economic activity probably will make it difficult for launderers to find money within legitimate business transactions. <p>Long Term Implications 6 months to 2 years</p> <ul style="list-style-type: none"> (U//FOUO) Changing methodologies likely will make some money launderers increasingly comfortable with laundering methods that don't involve physically crossing the border, such as informal value transfer systems (IVTS) and cryptocurrencies. (U//FOUO) Bulk cash smuggling might increase soon after the border reopen, if some TCOs need to move the currency they held onto during the COVID-19 crisis. 	<p>(U) Fraud</p> <p>COVID-19 Impact</p> <p>(U) Shortages</p> <ul style="list-style-type: none"> Locations around the United States report shortages of drugs and medical supplies to combat COVID-19, as well as some consumer goods. (U) Public Interest Americans are seeking out information on COVID-19, government assistance (such as stimulus checks and unemployment benefits), and community resources. <p>Near Term Implications present to 6 months</p> <ul style="list-style-type: none"> (U//LES) TCOs likely will exploit COVID-19 to undertake various fraud schemes, such as selling counterfeit drugs or medical supplies (such as personal protective equipment). These products likely will be ineffective in combating COVID-19 and might include hazardous ingredients. (U//FOUO) TCOs likely will send phishing emails related to COVID-19 to steal money, personally identifying information, and/or install ransomware. <p>Long Term Implications 6 months to 2 years</p> <ul style="list-style-type: none"> (U//FOUO) Counterfeit drugs and medical supplies have the potential to inflict long-term harm or kill victims. (U//FOUO) The theft of personally identifying information likely will damage the finances of affected individuals. 	<p>(U) Theft</p> <p>COVID-19 Impact</p> <p>(U) Shortages</p> <ul style="list-style-type: none"> Locations around the United States report shortages of drugs and medical supplies to combat COVID-19, as well as some consumer goods. <p>Near Term Implications present to 6 months</p> <ul style="list-style-type: none"> (U//FOUO) TCOs likely will take advantage of COVID-related shortages of certain consumer goods, stealing and reselling them on the black market. (U//FOUO) TCOs also likely will attempt to divert pharmaceuticals and medical supplies (such as personal protective equipment), preventing them from reaching their intended audience. <p>Long Term Implications 6 months to 2 years</p> <ul style="list-style-type: none"> (U//FOUO) Diverting pharmaceuticals and medical supplies from their intended audience have the potential to inflict long-term harm or kill victims.
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