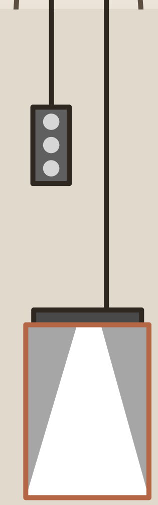
CARTEL EXPOSURE IN MINING

Cartels operating in mining regions are now treated as terrorist organizations under U.S. law. That changes what compliance teams need to catch, and how quickly.



THE SHIFT

FTO Designations, 2025–26

The U.S. has designated roughly 20 Mexican and Latin American cartels and criminal orgs as Foreign Terrorist Organizations, layering counterterrorism law, including criminal material-support liability, on top of standard bribery risk.

No Duress Exception

Coerced “protection” payments to a designated cartel carry no statutory exception and no minimum threshold, even when made under threat.

Beyond the Border

Cartel financing reaches agriculture, logistics, and mining supply chains well beyond Mexico, with designated groups now operating in Brazil, Ecuador, Venezuela, Haiti, and Central America.

WHERE EXPOSURE SHOWS UP IN MINING

Permitting and Land Access

New mine sites and reopened permits often require local intermediaries who can carry hidden risk. In cartel-controlled territory, site access itself can be conditioned on payments or on engaging a specified security provider.

Logistics and Transport Routes

Trucking routes can cross cartel-controlled territory, creating exposure to tolls or coerced payments.

Community Engagement

Charitable donations and sponsorships reach local and indigenous leaders who may qualify as foreign officials under the FCPA. A donation reaching a cartel-affiliated recipient can also constitute material support.

Remote Field Sites

Field employees are the most likely to face demands and threats, and the least able to report them without reliable computer access.

THE STAKES

Criminal exploitation is estimated to cost mining operations up to **30% of revenue** at affected sites.

**Mexican Mining Chamber*

Foreign bribery cases involving the extractives industry account for **roughly 20%** of all such cases tracked.

**OECD and Transparency International*

Buying cartel-sourced product counts too: a U.S. terminal operator that purchased smuggled crude oil from a designated cartel faces **federal material-support charges and a $300 million forfeiture demand**.

**U.S. Department of Justice, 2025*

YOUR COMPLIANCE PRIORITIES

Below is a practical map of the jobs mining risk and compliance teams need to get done on cartel exposure, and how GAN Integrity supports each one.

YOUR COMPLIANCE PRIORITIES	BEST PRACTICES	GAN INTEGRITY'S OFFERINGS
Identify third parties with indirect ties to cartel-controlled entities that a standard sanctions or adverse media screen will not catch.	Require beneficial ownership and affiliate mapping as a standard part of onboarding for vendors in high-risk regions, not just a name-based sanctions check. Name matching for Spanish and Portuguese naming conventions and known aliases.	Native Sayari integration surfaces ownership and affiliate connections behind a supplier, not just the name on the contract. AI-powered scoring flags the relationships.
Map supply chain exposure beyond direct suppliers, since a cartel-linked vendor two or three tiers up the chain still creates liability.	Extend due diligence questionnaires to require disclosure of key subcontractors and raw material sources, not just the direct contracting party.	Continuous supplier network monitoring extends risk visibility across the full third-party ecosystem with Sayari, not just first-tier vendors.
Train field teams and permit staff to recognize warning signs of cartel exposure, including coerced payments, forced logistics arrangements, and pressure tied to land access.	Build training around real scenarios such as coerced payments or forced trucking arrangements and require completion before staff begin work.	Role-based training campaigns with policy attestation tracking put real-world red flags in front of the employees most likely to encounter them, with completion visible in real time.
Give employees in remote and low-connectivity mine sites a way to raise concerns even without regular computer access.	Establish non-digital reporting channels, such as a phone line, at every site where computer access is limited.	Multi-channel whistleblowing intake, including mobile options, meets field workers where they are.
Route any speak-up report or workplace complaint with a possible cartel connection to legal review, not just HR, given the criminal exposure involved.	Set escalation criteria so any report referencing organized crime or cartel activity is auto routed to legal counsel rather than staying within HR.	Configurable case routing and escalation rules ensure reports tagged with relevant risk factors reach the right reviewers automatically, with a full audit trail.
Create a contemporaneous record of every demand, threat, or coerced payment, so the company can evidence duress and support a fast, informed disclosure decision.	Require a documented record of who made the demand, when, the nature of the threat, and the alternatives considered, for every incident, however it is resolved.	Case management captures the incident record, timeline, and resolution in one auditable place, ready for counsel when a disclosure decision has to be made quickly.
Apply extra scrutiny to charitable donations, sponsorships, and community engagement. Leaders in indigenous and rural communities can qualify as foreign officials under FCPA.	Screen the recipient organization and its principals for cartel affiliation and require documented business justification and a full sign-off chain for any donation or sponsorship involving a local community leader or official.	Automated approval workflows for donations and sponsorships capture the request, the business justification, and the sign-off chain in one auditable record.
Trigger enhanced due diligence and on-the-ground verification when a standard risk score is not enough to rule out cartel involvement.	Define specific criteria, such as location or ownership red flags, that automatically move a third party from standard screening into a deeper review track.	Risk-based rules escalate flagged parties into deeper review, giving documentation to justify a separate boots-on-the-ground investigation.
Demonstrate to regulators and leadership that the program actively monitors for cartel and FTO exposure, not just standard bribery risk.	Keep a running record of every screening decision, escalation, and remediation action so the program's activity can be shown to regulators.	Comprehensive audit logs, dashboards, and reporting give compliance teams evidence-ready documentation of screening, escalation, and remediation.
Adapt the program as cartel designations, sanctions lists, and enforcement priorities continue to evolve.	Assign a team member to track new cartel and FTO designations and reassess risk tiers when the list changes. Rescreen affected third parties promptly; exposure begins the day a designation takes effect, not at the next annual refresh.	No-code configuration lets teams update workflows, risk tiers, and rules without waiting on IT or a vendor change order.

Learn more about GAN Integrity's solutions for Minerals and Mining.

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