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FinCEN Issues Geographic Targeting Order Requiring Increased CTR Reporting for Money Services Businesses on the Southwest Border

This week, the U.S. Department of Treasury, through the Financial Crimes Enforcement Network (FinCEN), issued a Geographic Targeting Order (GTO) that requires Money Services Businesses (MSBs) in counties along the southwest border to file Currency Transaction Reports (CTRs) on cash transactions between $200 and $10,000 and document identification of the individuals conducting the transactions. According to Secretary of the Treasury, Scott Bessent, the GTO is targeted to further combat money laundering activities of Mexico-based cartels and is part of a "whole-of-government" approach to combatting drug trafficking activity and other criminal organizations. All MSBs located in 30 ZIP codes in Imperial County and San Diego County, California; and Cameron County, El Paso County, Hidalgo County, Maverick County and Webb County, Texas, are subject to the GTO.[1]

The GTO is the most recent action taken under the Trump Administration's commitment to combat cartel-related terrorism. On January 20, 2025, President Trump signed Executive Order 14157, Designating Cartels And Other Organizations As Foreign Terrorist Organizations And Specially Designated Global Terrorists. Shortly following the Executive Order, the U.S. Department of State designated eight transnational organizations, including six Mexico-based drug cartels, as Foreign Terrorist Organizations (FTOs) and Specially Designated Global Terrorists (SDGTs).[2]

The GTO requires that all MSBs in the designated counties file a CTR within 15 days of any "covered transaction," defined broadly to include any deposit, withdrawal, exchange of currency or other payment or transfer that involves a transaction in currency of "more than $200 but not more than $10,000."[3] In addition, MSBs must

comply with all identification requirements applicable and required by the Bank Secrecy Act (BSA), including the requirement to obtain specific identifying information, before the transaction is included.[4]

The GTO does not otherwise alter existing obligations of MSBs under the BSA, such as filing CTRs for transactions in currency above $10,000 and Suspicious Activity Reports (SARs) as required. FinCEN noted that "although the dollar thresholds for filing SARs in the SAR regulation applicable to covered businesses remains the same (as low as $2,000), FinCEN encourages the voluntary filing of SARs where appropriate to report transactions conducted to evade the $200 reporting threshold" imposed by the GTO.[5]

The GTO takes effect 30 days after it is published in the Federal Register and will remain in effect for 179 days thereafter, unless renewed. All MSBs subject to the GTO should review their applicable compliance program policies and procedures to be well-positioned to document compliance with the enhanced CTR filing requirements and the customer identification requirements of the GTO while in effect.

This blog was drafted by Shelli Clarkston, an attorney in the Spencer Fane Kansas City, Missouri office, and Kirstin Kanski, an attorney in the Minneapolis, Minnesota office. For more information, please visit www.spencerfane.com.

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[1] FinCEN Issues Southwest Border Geographic Targeting Order | FinCEN.gov (Mar. 11, 2025).

[2] Specifically, the State Department designated Tren de Aragua, Mara Salvatrucha (MS-13), Cártel de Sinaloa, Cártel de Jalisco Nueva Generación, Cártel del Noreste (formerly Los Zetas), La Nueva Familia Michoacana, Cártel de Golfo (Gulf Cartel), and Cárteles Unidos as FTOs and SDGTs. Terrorist Designations of International Cartels | U.S. State Dep't (Feb. 20, 2025). The nature of the organizations subject to the recent designations are provided in the State Department's Fact Sheet.

[3] Geographic Targeting Order (Mar. 11, 2025), FinCEN, at 3.

[4] *See, e.g.,* 31 C.F.R. § 1010.312 (Identification required). The GTO specifically prohibits the use of any notation such as "known customer" or "bank signature card on file" in documenting the

identifying information for Covered Transactions.

[5] Geographic Targeting Order (Mar. 11, 2025), FinCEN, at 2-3.

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