

Trump Administration Releases New Drug Control Strategy Reflecting Expanded Enforcement Risks for Global Businesses

May 18, 2026

On May 4, 2026, the U.S. Office of National Drug Control Policy released its latest National Drug Control Strategy (the “Strategy”), now published biennially, outlining the federal government’s approach to combatting criminal organizations and the illicit drug trade.¹ The Strategy signals an aggressive “whole-of-government” approach to enforcement against Transnational Criminal Organizations (“TCOs”) and Foreign Terrorist Organizations (“FTOs”). It emphasizes the coordinated use of existing criminal, sanctions, customs, and anti-money laundering laws against entities and individuals that facilitate illicit drug trafficking or related financial activity. This Strategy has significant implications for companies that may have direct or indirect ties to TCOs or FTOs.

Strategic Priorities. The Strategy bolsters the Trump Administration’s campaign to dismantle TCOs and FTOs, which the Administration has classified as posing a national security threat to the United States. Relative to prior editions, the Strategy places particular emphasis on coordinated enforcement and supply-side disruption efforts. It builds on Executive Orders and related actions taken in 2025, including designating several international drug cartels as FTOs and Specially Designated Global Terrorists, creating the Homeland Security Task Forces (“HSTFs”) to combat transnational criminal and terrorist organizations, and designating illicit fentanyl and its core precursor chemicals as Weapons of Mass Destruction.²

The Strategy also communicates the Administration’s intent to increase scrutiny of companies operating internationally, particularly those with operations or counterparties in jurisdictions identified by the Administration as significant source or transit points for illicit drugs or precursor chemicals. It further highlights an

¹ The White House, “2026 National Drug Control Strategy Released” (May 4, 2026), <https://www.whitehouse.gov/releases/2026/05/2026-national-drug-control-strategy-released>.

² Executive Order 14159, “Protecting the American People Against Invasion” (Jan. 20, 2025), <https://www.federalregister.gov/documents/2025/01/29/2025-02006/protecting-the-american-people-against-invasion>; U.S. Department of State, “Designation of International Cartels” (Feb. 20, 2025), <https://www.state.gov/designation-of-international-cartels>; Executive Order 14367, “Designating Fentanyl as a Weapon of Mass Destruction” (Dec. 15, 2025), <https://www.federalregister.gov/documents/2025/12/18/2025-23417/designating-fentanyl-as-a-weapon-of-mass-destruction>.

enforcement focus on commercial entities, logistics providers, and financial intermediaries alleged to have knowingly or through willful blindness facilitated illicit drug trafficking or related financial transactions.

Supply Chain Security. Consistent with these priorities, the Strategy aims to safeguard global supply networks from exploitation by FTOs and TCOs. The Strategy emphasizes the importance of private sector cooperation, noting that companies involved in global trade often have greater access to information about traded commodities than the government. It also indicates that companies engaged in the sale, brokering, financing, or transportation of goods should consider adopting enhanced security and risk mitigation measures that address existing customs obligations.

To support these objectives, the Administration plans to expand trusted trade programs, such as the Customs Trade Partnership Against Terrorism, which are voluntary public-private partnership programs designed to strengthen supply chain security. The expanded programs would incorporate updated minimum-security standards grounded in supply chain integrity principles, including accountability, transparency, and traceability from sourcing through delivery. Bilateral and multilateral engagement will reinforce these efforts. In particular, the Administration intends to encourage countries identified as source or transit points for illicit drugs, such as Mexico, China, India, and Colombia, to strengthen supply-chain security measures, improve oversight of legitimate industries, and develop trusted-trade and anti-trafficking frameworks aligned with the Strategy.

Investigative Coordination and Enforcement. The Strategy also places significant emphasis on intelligence sharing across agencies to promote coordinated investigations of TCOs and FTOs. The Strategy contemplates that HSTFs, jointly led by DOJ and the Department of Homeland Security, will serve as the principal mechanism for counter-TCO and FTO operations, bringing together relevant personnel and resources from federal law enforcement and intelligence agencies.

Where cartels or TCOs have been designated as FTOs, intelligence gathered by HSTFs may be shared with the National Counterterrorism Center through the HSTF National Coordination Center and incorporated into broader counterterrorism efforts, enabling coordinated, enterprise-wide investigations that target organizational leadership, logistics networks, and financial infrastructure. Commercial entities, whether foreign or domestic, that fail to protect their supply chains from exploitation by TCOs and FTOs could face heightened enforcement risk, including sanctions restricting their access to the U.S. financial system and criminal investigations or prosecutions by DOJ.

The Strategy highlights the Administration's intent to use existing sanctions, anti-money laundering, and financial enforcement laws more aggressively to disrupt the

infrastructure that supports the illicit activity of TCOs and FTOs. It signals an intent for DOJ to prosecute material support of cartels designated as FTOs and for the Treasury Department to increase the use of targeted sanctions and financial measures against FTOs and their global networks, including through asset-freeze and forfeiture measures. The Strategy also directs the Treasury Department to target foreign financial institutions involved in laundering drug proceeds and contemplates intensified investigation and prosecution of sophisticated money-laundering networks by relevant enforcement authorities. The Strategy further contemplates using Bank Secrecy Act reporting, financial intelligence from international partners, and Treasury special-measures authorities, which permit enhanced restrictions on certain financial institutions and transactions, to identify TCO- and FTO-related financial activity and restrict TCOs, FTOs, and their facilitators from accessing the U.S. financial system.

Takeaways. Consistent with existing enforcement priorities and policies, the Strategy conveys the Administration's commitment to using the available resources and laws more aggressively against organizations and individuals viewed as facilitating cartel-linked activity. Companies thus could face increased scrutiny and investigative activity in this area.

Especially given these developments, companies operating in high-risk jurisdictions may wish to reassess whether their existing compliance programs and internal controls adequately address the risks highlighted by the Strategy. Areas for review may include risk assessment and supply-chain mapping processes, relevant compliance policies and training, third-party due diligence and onboarding protocols, escalation and internal investigations procedures, ongoing monitoring and periodic testing, and remediation of identified compliance gaps.



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