

The Stanford affair

FBI investigates possible links with Mexico drug gang

Ed Vulliamy and Paul Harris in New York
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The **FBI** is probing possible money laundering linked to **Mexico's** infamous narco-trafficking Gulf Cartel in its investigation of Texan billionaire Sir **Allen Stanford**. US law enforcement sources have told the Observer.

An FBI source close to the investigation would not give exact details but confirmed the agency was looking at links to international drug gangs as part of the huge investigation into Stanford's banking activities. Reports in the US have said Mexican authorities have detained one of Stanford's private planes as part of an investigation into possible links to the Gulf Cartel. It has been alleged cheques found inside the plane were linked to the cartel, which is one of the most violent criminal organisations in the world.

Sources in the US Drug Enforcement Administration also confirmed that while the investigations into Stanford's affairs were "with the FBI and Securities Exchange Commission, there may well have been a trail connecting his Mexican affairs to narco-trafficking interests. So far as we understand from information partially in the public domain, this has pertained to the Gulf Cartel, and items found aboard a private light aircraft. I think we'll find that any possible drug-related trail and SEC priorities are not all in the same frame."

Asked whether the aircraft seizures were an isolated incident in the overall investigation, the official said: "It's not going to be as if they would check every plane. Any connections to the narcos would have been followed for some time, and US law enforcement has been working with Mexico's banking regulators on a vast range of investigations, including Stanford's interests, for some time.

"This would not be the first investigation like this following trans-border investments to lead to narco-traffic interests."

While Mexico's current narco war, which has claimed 7,000 lives in two years, has been billed as one "between cartels", it is, on the ground, something closer to an anarchic scramble between street-level gangs to whom dealing and smuggling have been "outsourced", while the Gulf Cartel and its peers concern themselves with a takeover of the Mexican economy and all-out war against what is left of the Mexican state the cartels do not control.

Another US drug enforcement official said: "Any major US interest seeking to avoid fully disclosed investments would have to go to pretty careful lengths to avoid encountering cartel interests, and anyone seeking to conceal or launder money would find it in safe and lucrative hands were they to forge alliances with, rather than skirt, the cartels.

"Through the other end of the lens, anyone wanting to help the cartels launder their money would find them accommodating in terms of remuneration, but that's nothing anyone will confirm for Stanford right now."

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