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Mexico's Counter-Narcotics Efforts Under Zedillo, December 1994 to March 2000

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ABSTRACT

This report provides information on Mexico's counter-narcotics efforts under the presidency of Ernesto Zedillo from December 1994 to March 2000, with emphasis on the last year. The report focuses on (1) Mexico's share of illicit drug traffic to the United States, (2) Mexico's efforts to control drug trafficking (seizures, arrests, eradication), and (3) Mexico's cooperation with the United States in counter-narcotics efforts. This report will not be updated.

Mexico's Counter-Narcotics Efforts Under Zedillo, December 1994 to March 2000

Summary

This report provides information on Mexico's counter-narcotics efforts under President Ernesto Zedillo, with emphasis on the last year, as the Congress is considering President Clinton's decision, on March 1, 2000, to certify that Mexico was fully cooperative in drug control efforts. The report focuses on (1) Mexico's share of illicit drug traffic to the United States, (2) Mexico's efforts to control drug trafficking (seizures, arrests, eradication), and (3) Mexico's cooperation with the United States in counter-narcotics efforts.

Share of Traffic. Mexico continued to be the transit point for about 55-60% of the cocaine entering the United States from South America last year, although estimates vary, and more cocaine may be coming through other areas as a result of enhanced Mexican interdiction efforts in recent years. Mexico also continued to be a major source country for heroin, marijuana, and methamphetamine.

Control Efforts. Mexican **seizures** of opium, methamphetamine, and heroin in 1999 were up dramatically from the previous years, and seizures of cocaine and marijuana in 1999 were also up significantly compared to most recent years, although a comparison to the highly criticized performance in 1998 alone would be misleading. Total **arrests** were up in 1999, compared to 1998 and from 1994-1995, but down from 1996-1997. Several major traffickers were arrested in 1999, including Juan Quintero Payan, a founder and leader of the Amado Carillo Fuentes or Juarez Cartel, and two key associates). Some important suspects remain in custody pending extradition to the United States, after Mexican courts dismissed charges in some cases. **Eradication** of opium declined in 1999, but with declining areas of cultivation, the potential yield declined to a near-record low. Eradication of marijuana nearly doubled in 1999, and with declining cultivation, the potential yield was down to the lowest level in recent years.

Cooperative Efforts. U.S.-Mexico counter-narcotics cooperation continued at unprecedented levels in 1999, with the full range of law enforcement, military, border, and drug control agencies being involved. However, Mexico asked the United States to retrieve 72 Huey helicopters donated for counter-drug missions, after determining that they were not adequate for the intended missions. When President Clinton visited Mexico in mid-February 1999, the countries signed agreements on procedures to coordinate law enforcement efforts, and on measures to gauge the effectiveness of the joint anti-drug strategy. In November 1999, the two governments established a new interdiction working group under the High Level Contact Group. The countries have been cooperating on U.N. and OAS anti-drug activities, including the agreement of the Inter-American Drug Control Commission (CICAD) in October 1999 to adopt a multilateral evaluation mechanism (MEM) to assess the counter-narcotics performance of all member countries. Critics argue that Mexico has made inadequate efforts to dismantle the major drug cartels, to extradite Mexican citizens to the United States on drug-related charges, and to enforce the country's new anti-money-laundering legislation.

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Mexico's Counter-Narcotics Efforts Under Zedillo, December 1994 to March 2000

Recent Congressional Interest and Action

Congress has had a longstanding interest in Mexico's counter-narcotics efforts. Beginning with legislation originally enacted in the mid-1980s, Congress has required the President to certify annually, subject to congressional review, that drug producing or drug-transit countries had cooperated fully with the United States in drug control efforts during the previous year to avoid suspension of U.S. aid.¹ Mexico has been fully certified each year, but Congress has closely monitored these certifications, and resolutions of disapproval were introduced in 1996, 1997, 1998, and 1999. In 1996, no floor action was taken; in 1997, each house passed separate resolutions; in 1998, a Senate version was defeated in floor action; and in 1999, no action was taken on House resolutions.² President Clinton's March 1, 2000 certification of Mexico as fully cooperative in drug control efforts has been criticized by several Members, including the Chairmen of the House International Relations Committee and the Senate Foreign Relations Committee.

Estimates of Mexico's Share of Drug Trafficking Activity

According to estimates by the Department of State's Bureau for International Narcotics and Law Enforcement Affairs, Mexico is the primary transit point for cocaine entering the United States from South America, and is a major source country for heroin, marijuana, and methamphetamine.³ Agency experts agree that

¹ For details on the certification process and the illustration of possible consequences of decertification of Mexico, see *Mexico and Drug Certification in 1999: Consequences of Decertification*, CRS Report RL30080, March 4, 1999, by K. Larry Storrs. For more general information on U.S.-Mexican relations, including legislation on trade, immigration, and drug trafficking issues, see *Mexico-U.S. Relations: Issues for the 106th Congress*, CRS Issue Brief IB10047, by K. Larry Storrs.

² For details on U.S. congressional action, see *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2000*, CRS Report 98-174 F, by K. Larry Storrs. For more detailed information on Mexican counter-narcotics efforts in earlier years of Zedillo's presidency, see previous versions of this report--CRS Report 97-354 F, March 14, 1997; CRS Report 98-161F, March 4, 1998; and CRS Report RL30098, March 18, 1999, by K. Larry Storrs.

³ See U.S. Department of State, Bureau for International Narcotics & Law Enforcement Affairs, *International Narcotics Control Strategy Reports* (INCSR), generally issued in (continued...)

Mexico's share of illicit traffic in the various areas has remained high over the years, although there are variations in the estimates. The methodology for making the estimates (whether derived from seizures or some other means) is not regarded as entirely adequate, and the estimates may be affected by changing trafficking patterns as much as enforcement efforts.

The State Department's reports covering 1996 and 1997 estimated that Mexico was the transshipment point for 50-60% of U.S.-bound cocaine shipments, and up to 80% of methamphetamine precursor chemicals like ephedrine, although the report on 1997 stated that "precise figures concerning illegal trade flows are not available." With end-of-1998 estimates, DEA Administrator Thomas Constantine testified in early 1999, that "approximately two-thirds" of the cocaine available in the United States comes over the U.S.-Mexico border, while the State Department's International Narcotics Control Strategy Report (INCSR) covering 1998 stated that U.S. agencies estimate that "almost 60%" of Colombian cocaine passed through Mexico. The INCSR report covering 1999 states that Mexico is the principal transit route to the United States for "up to 60 percent of the South American cocaine sold in the U.S.," while DEA's Chief of International Operations, William Ledwith, testifying before the House Committee on Government Reform's Subcommittee on Criminal Justice, Drug Policy and Human Resources, on February 29, 2000, stated that "approximately 55% of the cocaine available in the United States is transported across the U.S.-Mexico border."

With respect to heroin, while the INCSR report covering 1995 estimated that 20-30% of the heroin consumed in the United States was produced in Mexico, subsequent years' reports have not included estimates in this area. DEA spokesmen stated, in February 1999 and February 2000 hearings, that heroin produced in Mexico represented 14% of heroin seized in the United States, according to one study, and that as much as 29% of heroin being used in the United States is being smuggled in by Mexican crime syndicates, according to another study.⁴

Mexican criminal organizations are major sources for methamphetamine precursor chemicals like ephedrine, and for the distribution of methamphetamine in the United States, although the INCSR reports on 1998 and 1999 do not include estimates. The dominant trafficking group for these substances, the Amezcua-Contreras or Colima cartel, was hindered by the arrest of two key leaders in 1998. Mexico remains a major source of foreign-produced marijuana, dominating the U.S. import market, according to DEA. Seizures of Mexican marijuana increased from 102 metric tons in 1991 to 836 metric tons in 1999. Mexico continues to be a major

³ (...continued)

March of each year with coverage of the previous year; latest version issued in March 2000.

⁴ See testimony of Thomas A. Constantine, DEA Administrator, before the Senate Caucus on International Narcotics Control, February 24, 1999; and William E. Ledwith, DEA Chief of International Operations, before the House Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy and Human Resources, February 29, 2000, for estimates on the role of Mexican criminal organizations on the production and distribution of heroin, as well as cocaine, methamphetamine, and marijuana.

money-laundering center and a significant international placement point for drug-derived U.S. dollars.

Mexico's Efforts to Control Illicit Drug Activities

Table 1 shows estimates of Mexican drug control efforts in three areas — seizures, arrests, and eradication — from 1993 to 1999. Caution should be exercised in considering the changes in the various areas as an indication of Mexico's seriousness in controlling drug trafficking. The trends may also be affected by the demand for the drugs, the amount of drugs produced or available, the sophistication of the drug traffickers, the intelligence and capabilities of Mexican counter-drug agencies, the effectiveness of reporting and monitoring methods, the effect of weather conditions on eradication efforts, and competition from alternative drug suppliers.

Table 1. Mexican Counter-Drug Activities, 1993-1999

	1993	1994	1995	1996	1997	1998	1999
Seizures							
Cocaine (mt)	46.2	22.1	22.2	23.6	34.9	22.6	33.5
Opium (mt)	0.13	0.15	0.22	0.22	0.34	0.15	0.80
Heroin (mt)	0.062	0.297	0.203	0.363	0.115	0.120	0.258
Marijuana (mt)	495	528	780	1,015	1,038	1,062	1,459
Meth-amphetamine (mt)	—	0.265	0.496	0.172	0.039	0.096	0.358
Ephedrine (mt)	—	—	6.391*	6.661*	0.637*	0.347*	0.365*
Illicit Drug Labs	5	9	19	19	8	7	14
Arrests							
Nationals	17,551	6,860	9,728	11,038	10,572	10,034	10,261
Foreigners	75	146	173	207	170	255	203
Total	17,626	7,006	9,901	11,245	10,742	10,289	10,464
Eradication							
Opium (ha)	7,820 13,015	6,620 11,036	8,450 15,389	7,900 14,671	8,000 17,732	9,500 17,449	7,900 15,469
Marijuana (ha)	9,970 16,645	8,495 14,227	11,750 21,573	12,200 22,961	10,500 23,576	9,500 23,928	19,400 33,583

Sources: Except where indicated by asterisk, data is from the U.S. Department of State, International Narcotics Control Strategy Report, March 2000, p. V-37, covering 1991-1999. Seizures are measured in metric tons (mt), and eradication is measured in hectares (ha), with one hectare equaling 2.47 acres. Eradication figures in the INCSR are effective eradication estimates of the actual amount of crop destroyed, factoring in replanting, repeated spaying in one area, etc, while the larger figures from Mexico show raw estimates of areas sprayed. Data on seizures of methamphetamine and ephedrine has only been provided in recent years.

* Figures on drug seizures supplied by Embassy of Mexico, from Mexico's Uniform Statistical System for the Control of Drugs, for the period December 1 to November 30 of each year.

Seizures of Drugs

With regard to Mexican seizures of drugs in 1999, there were dramatic increases in the seizures of opium (up 435%), heroin (up 114%) and methamphetamine (up 273%), and significant increases in the seizures of cocaine (up 48%) and marijuana (up 37%), compared to 1998, but the comparison is to a year in which Mexico's performance was criticized.

Looking at the figures from a broader perspective, it becomes clear that seizure results in 1999 were generally much improved. In the case of opium, the seizures were four times the average seizures for the previous six years, and in the case of methamphetamine more than three times the average seizures in the last three years, but less than the seizures in 1995. In the case of heroin, the seizures were more than double the seizures in 1997 and 1998, but less than amounts seized in 1994 and 1996. In the case of marijuana, the seizures were nearly 50% higher than the three previous years, and double or triple the seizures in the earlier years shown on the chart. In the case of ephedrine, the seizures were less remarkable, with seizures in 1999 being higher than in 1998, but less than in 1997, and considerably less than in 1995 and 1996.

With regard to cocaine, which many consider to be a key test, the seizures were larger than in most of the previous years, but they were largely the result of several successful maritime operations involving cooperation between the Mexican Navy and the U.S. Coast Guard. These netted over six metric tons each. While cocaine seizures were up in 1999, it should be pointed out that seizures in 1993 and 1997 were larger.

Mexico's success in the seizure of drugs could be attributed to the fact that the government has been devoting more and more resources to interdiction in recent years. In mid-February 1999, the government announced a plan to commit \$400-\$500 million over the next few years for the purchase of planes, speed boats, and mobile search x-ray systems to enhance its capability to "Seal the Borders" against the transit of drugs. In February 2000, the government announced that it had spent over \$165 million on counter-narcotics equipment, personnel, and training in 1999; and that it was allocating almost \$440 million for equipment acquisition, personnel training, and anti-drug operations in 2000. This constituted a 167% increase in the counter-drug budget, including expenses for the new Federal Preventive Police, the Secretariats of National Defense and Navy, and the Attorney General's Office.⁵

Arrests of Drug Traffickers

With regard to arrests of drug traffickers, arrests of foreigners in 1999 were down from an unusually high level in 1998 but were still higher than all previous years except 1996. Total arrests and arrests of Mexicans in 1999 were up from 1998 and from 1994-1995, but down from 1996-1997, and way down from 1993, leaving a pattern that is not entirely clear.

⁵ Embassy of Mexico Press Bulletin 00-09, *Mexico's New Counter-Narcotics Strategy Produces Record Interdiction and Eradication Results*, February 1, 2000.

Among the key arrests in 1999 were those of key players in the Amado Carillo Fuentes or Juarez Cartel: Juan Quintero Payan (a cartel founder and leader), and Oscar Benjamin Garcia Davila and Jaime Aguilar Gastelum (key cartel associates). In September 1999, DEA announced the conclusion of a two year investigation, called Operation Impunity, with U.S. inter-agency and U.S.-Mexico binational cooperation, that culminated in the arrest of over 106 individuals linked to the Carillo Fuentes organization, according to some accounts "crippling" the organization,⁶ following important arrests in 1998. While the Amezcua-Contreras brothers, also arrested in 1998 on methamphetamine trafficking charges, were cleared of charges by Mexican courts, they are still being held in Mexico on U.S. charges pending extradition proceedings. In February 2000, the Mexican Attorney General's Office arrested Jesus "Chuck Norris" Chavez, a leader of the Juarez Cartel, and in March 2000, the Mexican military arrested Jesus Labra, a high ranking figure in the Arellano Felix or Tijuana Cartel.⁷ Mexican authorities argue that some of the most wanted drug lords are dead or in prison at this time, and that the Juarez and Colima organizations have been seriously weakened in recent years.

The Mexican government extradited 14 persons to the United States in 1999 (compared to 16 from the United States to Mexico), including two Mexican nationals wanted on murder and drug trafficking charges. This pattern is similar to the number of extraditions from Mexico since 1995 during the Zedillo Administration, and is considerably greater than the number of extraditions during previous Mexican administrations. Mexican courts continue to be reluctant to approve extradition of Mexican nationals, even when recommended by the Mexican Foreign Ministry, and have raised questions about the constitutionality and appropriateness of extraditions, especially where capital punishment or life sentences might be applied.⁸

Critics argue that Mexican authorities have failed to make adequate efforts to weed out corruption, to arrest and dismantle the major drug cartels, to extradite Mexican citizens to the United States on drug-related charges, and to enforce the country's anti-money-laundering legislation.⁹ Among the recent cases of alleged corruption and suspected drug traffickers influence mentioned in the press are the disappearance to avoid prosecution in March 1999 of Quintana Roo Governor Mario Villanueva who was reported to be protecting the transit of drugs through the Yucatan region for the Juarez cartel; the confrontation between U.S. DEA agents and Mexican drug traffickers with police protection in Matamoros, Mexico, in November

⁶ "93 Arrested in Crackdown on Drug Cartel," *Baltimore Sun*, Sept. 23, 1999, p. 3A.

⁷ "Drug Trafficking Suspect Arrested," *Associated Press*, March 12, 2000.

⁸ See testimony of Mary Lee Warren, Deputy Assistant Attorney General, Criminal Division, Department of Justice, before House Committee on Governmental Reform, Subcommittee on Criminal Justice, Drug Policy and Human Resources, February 29, 2000.

⁹ See the letter of February 23, 2000 from Senator Jesse Helms, Chairman of the Senate Foreign Relations Committee, and Representative Benjamin Gilman, Chairman of the House International Relations Committee, to Secretary of State Madeleine Albright; and the opening statements by Representative Benjamin Gilman and Representative John Mica in the July 29, 2000, hearing of the House Governmental Reform Committee, Subcommittee on Criminal Justice, Drug Policy, and Human Resources.

1999; the killing of Tijuana's Police Chief in late February 2000; and the apparent suicide in March 2000 of a senior official in Mexico's federal Attorney General's Office on the eve of investigation of unexplained funds in his safe deposit boxes.¹⁰

Eradication of Illicit Crops

With respect to eradication of illicit crops, the results are complicated by differing levels of overall cultivation of opium poppies and marijuana, and by the fact that Mexican data show raw estimates of areas sprayed, while the United States data show *effective eradication* estimates of the crop destroyed, factoring in replanting of crops, repeated spraying in the same area, and other variables.

While the U.S. estimate of effective eradication of opium poppy cultivation in 1999 was down from recent years (except for 1994 and 1996), with the continuing decline in area under cultivation, the estimated net opium drug crop yield in 1999 was also down, falling to 43 metric tons of opium gum. This is a near-record low and is below any of the previous years on the chart.

The U.S. estimate of effective eradication of Mexican marijuana was about double recent years. Given the continuing steady decline in the area cultivated, the estimated potential yield of marijuana was down to 6,700 metric tons, the lowest level in recent years (except 1993 and 1994), based on new potential yield methodology.¹¹

With an eradication program and results rivaled only by Colombia, Mexico has reduced cultivation of marijuana drastically in recent years.

Mexico's Counter-Narcotics Cooperation with the United States

U.S.-Mexico counter-narcotics cooperation has increased substantially since the inauguration of President Zedillo in December 1994, with the full range of law enforcement, military, and border and drug control agencies being involved. While the flow of drugs from Mexico remains high and incidences of corruption persist, the Clinton Administration seems confident that President Zedillo is committed to rooting out corruption and establishing a close working relationship with the United States in this area. At the highest diplomatic level, there is the Binational Commission, established in 1977, which brings cabinet-level officials together once a year to discuss the full range of U.S.-Mexico relations, including legal and anti-narcotics affairs. With a specific focus on counter-narcotics issues, the High Level Contact Group (HLCG), established in 1996, provides for cabinet-level coordination twice a year.

¹⁰ See Molly Moore, "Mexican Magazine Prints Interview with Fugitive Ex-Governor," *Washington Post*, Feb. 14, 2000, p. A18; Tim Golden, "Head to Head in Mexico: DEA Agents and Suspects," *New York Times*, Nov. 24, 1999; and Molly Moore, "Officials' Deaths Raise Concerns in Mexico; Some Fear an Increase in Drug Cartel's Power," *Washington Post*, March 10, 2000, p. A15.

¹¹ See INCSR, March 2000, page V-37 for the data on Mexico and page II-17-18, for some explanation of the methodology..

Subordinate HLCG working groups on money laundering, chemical control, demand reduction, prisoner transfer, extradition, and mutual legal assistance meet four times per year to coordinate policies. The Plenary Group on Law Enforcement, coordinated by the two Attorneys General, also meets four or five times a year on law enforcement issues.

Acting through these groups, the two countries agreed in May 1997 upon an Anti-Drug Alliance during a visit to Mexico by President Clinton. The leaders developed a draft joint strategy in November 1997, when President Zedillo visited Washington, and the two Presidents signed a protocol to permit temporary extradition of cross-border criminals for trial, and a hemispheric convention against illegal firearms trafficking. More recently, the two leaders issued the joint anti-drug strategy in early February 1998, and they agreed on methods for coordinating activities in June 1998 despite Mexican displeasure with Operation Casablanca, a U.S. undercover operation aimed at money laundering operations. The presidents signed agreements on law enforcement cooperation and implementation of performance measures of effectiveness for the joint strategy when President Clinton visited Mexico in mid-February 1999, and the two governments decided in November 1999 to establish a new interdiction working group under the High Level Contact Group.

In addition, in recent years Mexico and the United States have cooperated extensively on United Nations (U.N.) and Organization of American States (OAS) anti-drug activities. They worked together with other governments on the agreement of the Inter-American Drug Control Commission (CICAD) in October 1999 to adopt a multilateral evaluation mechanism (MEM) to assess all member countries' counter-narcotics performance.

The United States has been involved in the training and screening of Mexicans involved in several important new law enforcement agencies. These include: the new Mexican anti-drug agency, called the Special Prosecutor for Crimes Against Health (FEADS), which replaced the discredited National Counter-Narcotics Institute (INCD); the Organized Crime Unit which implements the new Organized Crime Law; the anti-drug bilateral Border Task Forces (BTFs); and a Financial Intelligence Unit which implements new anti-money laundering legislation. In addition, the two countries have been conducting exchanges of judges and prosecutors in recent years. In 1999, to strengthen law enforcement efforts, the Mexican Congress passed legislation codifying the use of assets seized in counter-narcotics operations, and created a new office in the Ministry of the Treasury to manage these assets. The Mexican government also issued regulations that specified reporting requirements for the importation of precursor chemicals, and shared information regularly with other governments.

The United States has provided extensive counter-narcotics training to Mexican military personnel. Beginning in 1996, it provided 73 Huey helicopters and military training for Mexican anti-drug special forces (GAFE) units, as well as two Knox class frigates and training for maritime interdiction units. The helicopters were of limited utility, however, and were grounded in 1998, when two Mexican crew members were killed in a crash which suggested possible faulty gearboxes. In September 1999,

Mexico asked that the helicopters be returned to the United States after deciding that a U.S. offer to refurbish 20 of the helicopters at U.S. expense was not cost effective.¹²

Critics argue that Mexican cooperation has not been demonstrated. Citing examples mentioned above, they say that key Mexican drug traffickers have not been arrested because of corruption and inefficiency; that none of the major drug lords have been extradited to the United States even when captured; that there has been only one conviction under the new anti-money-laundering laws in Mexico; and that corruption is still rampant in Mexico, even in the elite units specially trained and screened by U.S. agencies, which severely hampers intelligence sharing between the two countries.¹³ They note that U.S. Ambassador to Mexico Jeffrey Davidow was even quoted as saying that one of the headquarters of the drug trafficking world is Mexico.¹⁴

¹² See Molly Moore, "Mexico Sends 'Junk' Choppers Back to U.S.; Aircraft Donated to Aid Drug War," *Washington Post*, Oct. 6, 1999, p. A24.

¹³ See Tim Golden, "War on Drugs Fails to Corral Mexican Gang," *New York Times*, Jan. 10, 2000, p. A1; and Tim Golden, "Former Drug Chief Says U.S. Brushed Aside Mexico's Role," *New York Times*, Nov. 26, 1999, p. A26.

¹⁴ See Mary Beth Sheridan, "Mexicans Denounce U.S. Ambassador Over Drug Remarks; Diplomacy: Government Lodges Protest After Envoy Calls Neighboring Nation One of the World's Main Headquarters for Narcotics Trafficker," *Los Angeles Times*, Feb. 26, 2000, p. A10.