

CRS Report for Congress

Mexico's Drug Cartels

Updated February 25, 2008

Colleen W. Cook
Analyst in Latin American Affairs
Foreign Affairs, Defense, and Trade Division



Prepared for Members and
Committees of Congress

Mexico's Drug Cartels

Summary

Mexico, a major drug producing and transit country, is the main foreign supplier of marijuana and a major supplier of methamphetamine to the United States. Although Mexico accounts for only a small share of worldwide heroin production, it supplies a large share of heroin consumed in the United States. An estimated 90% of cocaine entering the United States transits Mexico. Violence in the border region has affected U.S. citizens and more than 60 Americans have been kidnaped in Nuevo Laredo. In July 2007, Mexican drug cartels reportedly threatened to kill a U.S. journalist covering drug violence in the border region. The proposed Mérida Initiative would provide at least \$950 million to combat drug and organized crime.

Although Mexican drug cartels, or drug trafficking organizations, have existed for quite some time, they have become more powerful since the demise of Colombia's Cali and Medellín cartels in the 1990s. Mexican drug cartels now dominate the wholesale illicit drug market in the United States. Arrests of key cartel leaders, particularly in the Tijuana and Gulf cartels, have led to increasing drug violence as cartels fight for control of the trafficking routes into the United States. The Gulf and Sinaloa cartels reportedly use personal "enforcer gangs" to perpetuate violence and intimidate Mexican citizens and public officials. Mexican President Felipe Calderón has called drug violence a threat to the Mexican state.

This report provides an overview of: Mexican cartels and their operations, including the nature of cartel ties to gangs such as the Mara Salvatrucha; Mexican cartel drug production in the United States; and the presence of Mexican cartel cells in the United States. Mexican cartels allegedly have used their vast financial resources to corrupt Mexican public officials who either turn a blind eye to cartel activities or work directly for them. Since 2005, the Mexican government has made numerous efforts to purge corrupt police. In December 2006, President Felipe Calderón launched operations against the cartels in 9 of Mexico's 32 states. He has pledged to use extradition as a tool against drug traffickers, and sent 73 criminals to the United States as of August 2007, including the alleged head of the Gulf Cartel.

This report also examines potential policy approaches to the problem of drug trafficking and violence. Current U.S. and Mexican policy emphasizes interdiction and eradication. Supporters of this policy maintain that these efforts have reduced the supply of drugs in the United States. Critics maintain that Administration officials have refused to release data showing that cocaine prices are falling, suggesting that the drug supply is growing, not shrinking. These critics suggest that more emphasis should be placed on demand reduction in the United States, including drug prevention education and treatment. The Mexican government urges the United States to increase its efforts to reduce U.S. demand for drugs, stating that it cannot succeed in its efforts against the cartels so long as cartels stand to earn billions of dollars annually from the U.S. illicit drug market. Critics of current policy, including the Mexican government, are also calling for increased efforts to combat arms trafficking from the United States to Mexico. This report may be updated. For further information on Mexico, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Colleen W. Cook.

Contents

Introduction	1
Drug Trafficking	4
Drug Cartels	7
Gulf Cartel	7
Sinaloa Cartel	8
Tijuana Cartel	8
Juárez Cartel	9
Colima Cartel	9
Oaxaca Cartel	10
Valencia Cartel	10
Enforcer Gangs	10
Gulf Cartel	11
Sinaloa Cartel	13
Police Corruption	13
Turf Wars	15
Nuevo Laredo	15
Guerrero	16
Michoacán	17
Mexican Government Response	17
U.S. Counternarcotics Assistance to Mexico	18
Mérida Initiative	19
Policy Approaches and Debates	20

List of Figures

Figure 1. Map of Mexico	2
Figure 2. Mexican Cartel Areas of Influence	3
Figure 3. Mexican Cartel Presence in the United States	6

List of Tables

Table 1: INCLE Assistance to Mexico, FY2002 to FY2008	19
---	----

Mexico's Drug Cartels

Introduction

According to the Mexican government there are seven drug cartels¹ operating in Mexico. The Mexican government reports that the major cartels – Gulf, Sinaloa, and Juárez -- are present in much of Mexico. The Gulf cartel has a presence in 13 states and its center of operations is in the northern state of Tamaulipas, which borders southeastern Texas, and is a key transit point for drug shipments to the United States. (See Figure 1 for map of Mexican states.) The Juárez cartel has been found in 21 Mexican states and its principle base is in Ciudad Juárez, in Chihuahua state, across from El Paso, Texas. The Sinaloa cartel has a presence in 17 states, and is based in the northwestern state of Sinaloa. In addition, the Tijuana cartel is present in at least 15 states and is based in Tijuana, Baja California, near San Diego, California; the Colima cartel is present in 7 states and is based in the Pacific state of Colima; the Oaxaca cartel is present in 13 states and its operations are based in the southern states of Oaxaca and Chiapas; and the Valencia cartel is present in 13 states with a base in the central state of Michoacán.²

In recent years, the major cartels have formed alliances with one another; the two rival alliances now compete for turf. The Tijuana cartel formed an alliance with the Gulf cartel as a result of prison negotiations by their leaders. Several cartels have also formed an alliance known as "The Federation." The Federation is led by representatives of the Sinaloa, Juárez, and Valencia cartels. The cartels work together, but remain independent organizations.³ (See Figure 2, for map of the cartels' areas of influence.) In August 2006, Mexico's Deputy Attorney General for Organized Crime, José Luis Santiago Vasconcelos, indicated that this re-organization, and mounting violence, are the result of Mexico's success in capturing cartel leadership.

¹ Some law enforcement agencies and observers prefer to use the term "drug trafficking organizations" when referring to these groups. The term drug cartel remains the dominant term used colloquially and in the press, but some experts disagree with this because "cartel" often refers to price-setting groups and it is not clear that the Mexican drug cartels are setting illicit drug prices.

² Procuraduría General de la República, *Memoria Sexenal 2001-2006 de Acciones y Resultados del Programa Nacional para el Control de las Drogas*, December 2006; Procuraduría General de la República, *Acciones y Resultados: Informe Anual 2005*, August 2006; "Extienden 3 cárteles su dominio," *Reforma*, August 12, 2005; and, José Díaz Briseño, "Pesca la DEA al 'Tigrillo,'" *Reforma*, August 17, 2006.

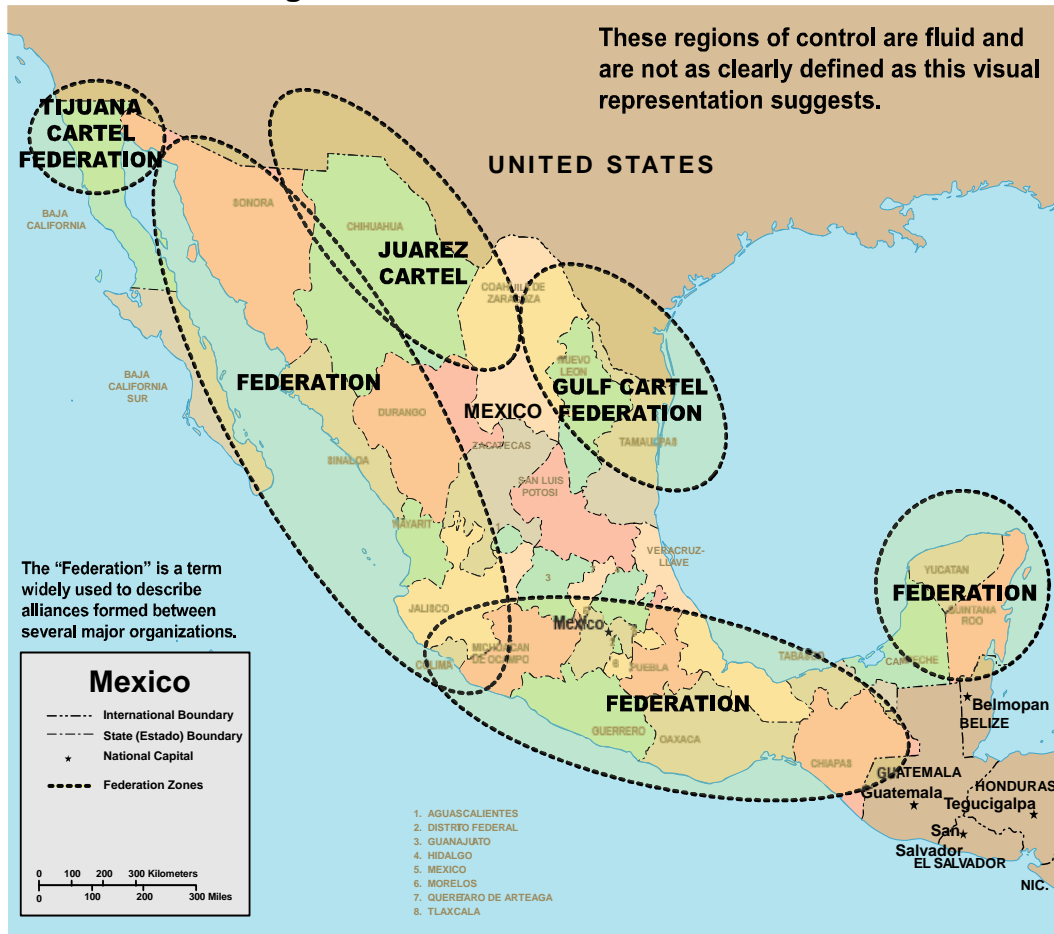
³ CRS interview with Drug Enforcement Administration (DEA) officials, November 8, 2006; "Alerta PGR sobre Aumento de Violencia y Narco," *Criterios*, August 3, 2006; and, Laurie Freeman, *State of Siege: Drug-Related Violence and Corruption in Mexico*, Washington Office on Latin America, June 2006, hereafter Freeman, June 2006.

Figure 1. Map of Mexico



Source: Map Resources. Adapted by CRS. (K. Yancey 8/17/06)

Figure 2. Mexican Cartel Areas of Influence



Source: U.S. Drug Enforcement Administration, adapted by CRS (P. McGrath 3/2/2007)

From January 2000 through September 2006, the Mexican government arrested over 79,000 people on charges related to drug trafficking. Of these arrests, some 78,831 are low level drug dealers. Mexico also arrested 15 cartel leaders, 74 lieutenants, 53 financial officers, and 428 hitmen (*sicarios*).⁴ In addition, Mexican authorities arrested nearly 10,000 people on drug-related charges from December 2006 through August 2007.⁵ On August 16, 2006, the United States Drug Enforcement Administration (DEA) and Coast Guard arrested Tijuana cartel leader Francisco Javier Arellano Felix, along with other Tijuana cartel leaders, on a boat off the Mexican coast.⁶ His brother, Francisco Rafael Arellano Felix, was extradited to the United States in September 2006. In January 2007, Mexico extradited 15 persons wanted for prosecution in the United States, including four senior drug traffickers. The drug traffickers included Osiel Cárdenas Guillén, the alleged head of the

⁴ Procuraduría General de la República, *Memoria Sexenal 2001-2006 de Acciones y Resultados del Programa Nacional para el Control de las Drogas*, December 2006.

⁵ President Felipe Calderón, *Mensaje a la Nación*, September 2, 2007.

⁶ Terry Frieden, "Sources: Mexican Cartel Leader Captured," *CNN*, August 16, 2006, accessed at [<http://www.cnn.com>] on August 16, 2006.

powerful Gulf cartel, who is believed to have maintained control of the cartel since his 2003 imprisonment. Ismael Higuera Guerrero and Gilberto Higuera Guerrero of the Tijuana cartel led by the Arellano Felix family; and, Hector Palma Salazar of the Sinaloa cartel and a leader of the Federation alliance were also extradited to the United States. The pace of extraditions from Mexico continued to increase in 2007, with a record 73 suspected criminals extradited to the United States, compared to 63 alleged criminals extradited to the United States in 2006.⁷

Drug Trafficking

Mexico, a major drug producing and transit country, is the main foreign supplier of marijuana and a major supplier of methamphetamine to the United States. Although Mexico accounts for only a small share of worldwide heroin production, it supplies "a large share of the heroin distributed in the United States."⁸ The State Department estimates that 90% of cocaine entering the United States transits Mexico. In 2006, the National Drug Intelligence Center estimated that Mexican and Colombian drug trafficking organizations annually generate between \$8.3 and \$24.9 billion in wholesale drug earnings in the United States.⁹

Mexico's cartels have existed for some time, but have become increasingly powerful in recent years with the demise of the Medellín and Cali cartels in Colombia. Closure of the cocaine trafficking route through Florida also pushed cocaine traffic to Mexico, increasing the role of Mexican cartels in cocaine trafficking. The National Drug Intelligence Center now considers Mexican drug cartels as dominating the U.S. illicit drug market. According to the Center, Mexican cartels "control the transportation and wholesale distribution of most illicit drugs in every area of the country except the Northeast." The Center also notes that Mexican cartels are making inroads into the Northeast by developing "cooperative relationships with other [drug trafficking organizations, DTOs] in that area."¹⁰ Colombian groups continue to be the "dominant cocaine and heroin traffickers, particularly in the Northeast; however they are relinquishing control to Mexican DTOs in order to shield themselves from law enforcement detection."¹¹

In February 2006, Mexico's Deputy Attorney General for Organized Crime, José Luis Santiago Vasconcelos, asserted that Colombians continue to control drug

⁷ "Mexico Extradites Record 64 Criminals to U.S.," *Reuters*, August 29, 2007.

⁸ Department of State Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report 2007*, March 2007, hereafter INCSR 2007.

⁹ Ibid; U.S. Department of Justice National Drug Intelligence Center, *National Drug Threat Assessment 2007*, October 2006.

¹⁰ U.S. Department of Justice National Drug Intelligence Center, *National Drug Threat Assessment 2008*, October 2007.

¹¹ Ibid.

trafficking in Mexico.¹² The DEA, however, maintains that the Mexican cartels now have command and control over the drug trade and are starting to show the hallmarks of organized crime, such as organizing into distinct cells with subordinate cells that operate throughout the United States.¹³ As a result of their dominance of the U.S. illicit drug market, Mexican cartels are the leading wholesale launderers of drug money from the United States. Mexican and Colombian trafficking organizations annually smuggle an estimated \$8.3 to \$24.9 billion in drug proceeds into Mexico for laundering.¹⁴

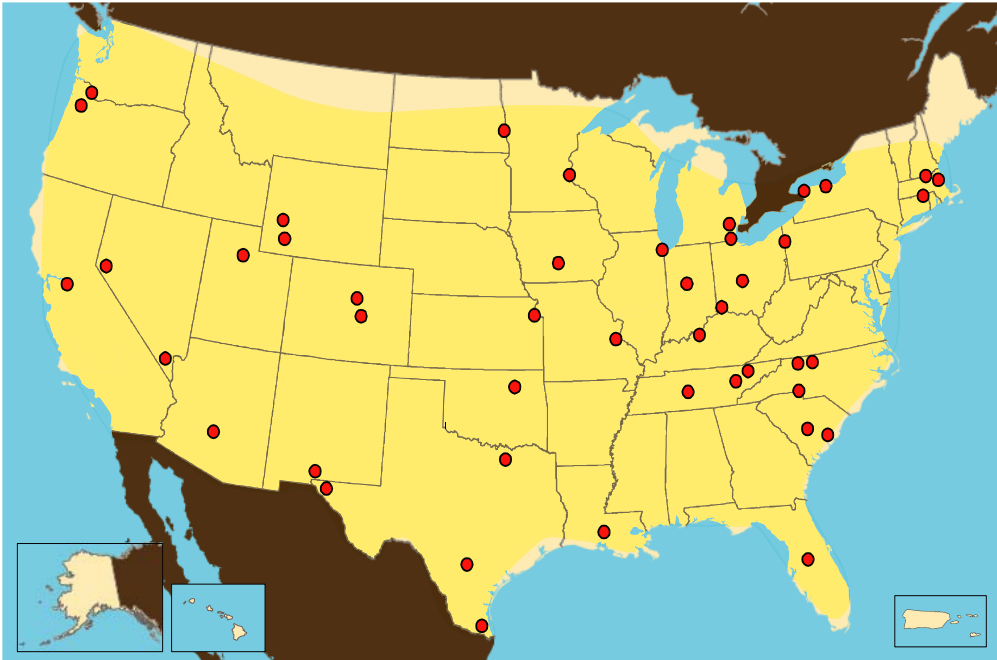
Mexican cartels also produce methamphetamine and marijuana in the United States. Mexican cartels have long grown marijuana in the United States, often on federal land in California, but they are now expanding production to the Pacific northwest and, to a lesser extent, the eastern United States. (See **Figure 3**). Mexican marijuana producers in California, the Pacific northwest, and eastern United States are increasingly linked to each other and "[m]any of these groups maintain their affiliation with the larger groups in California and Mexico and maintain some level of coordination and cooperation among their various operating areas, moving labor and materials to the various sites – even across the country – as needed."¹⁵

¹² Procuraduría General de la República, Press Conference, "Sesión de Preguntas y Respuestas durante la Conferencia de Prensa que Ofreció el Procurador General de la República, Daniel Cabeza de Vaca Hernández en el Auditorio de Juristas, de Reforma 211, México, D.F., a 10 de Febrero de 2006."

¹³ CRS interview with DEA officials, November 8, 2006.

¹⁴ U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment 2007*, October 2006. The report does not disaggregate Colombian and Mexican drug trafficking organization money smuggling data.

¹⁵ *Ibid.*

Figure 3. Mexican Cartel Presence in the United States

Source: National Drug Intelligence Center, *National Drug Threat Assessment 2007*, adapted by CRS (P. McGrath, 3/1/2007)

There is evidence that Mexican cartels are also increasing their relationships with prison and street gangs in the United States in order to facilitate drug trafficking within the United States as well as wholesale and retail distribution of the drugs. For example, in January 2006, the National Drug Intelligence Center reported that gangs such as the Latin Kings and Mara Salvatrucha (MS-13) buy methamphetamine from Mexican drug cartels for distribution in the southwestern United States. According to the FBI, Mexican cartels focus only on wholesale distribution, leaving retail sales of illicit drugs to street gangs. The Mexican cartels reportedly work with multiple gangs and do not take sides in U.S. gang conflicts.¹⁶

In addition to drug trafficking, Mexican cartels have been tied to both human and arms trafficking, auto theft, and kidnaping. Mexican drug traffickers increasingly smuggle money back into Mexico in cars and trucks, likely due to the effectiveness of U.S. efforts at monitoring electronic money transfers. Mexican law enforcement officials note that while the drug cartels may sometimes traffic persons who are willing to act as mules, they do not engage in large-scale human trafficking as that would add further risk to the transit of drug shipments. Separate criminal groups focus on human trafficking. U.S. law enforcement officials report that the

¹⁶ CRS interview with FBI officials, January 10, 2007 and U.S. Department of Justice National Drug Intelligence Center, *National Drug Threat Assessment 2006*, January 2006. The *2007 Drug Threat Assessment* does not include information on ties between Mexican cartels and specific gangs.

Tijuana cartel has been weakened due to the arrests and deaths of several cartel leaders, forcing the cartel to focus its energies on controlling trafficking routes through the corruption of Mexican law enforcement officials and intimidation measures, including kidnaping, torture, and murder.¹⁷

Drug Cartels

Gulf Cartel

The Gulf Cartel is one of the most powerful Mexican cartels. Its center of operations is in the northern state of Tamaulipas, which borders southeastern Texas, and is a key drug transit point for drug shipments into the United States. Mexico extradited Gulf Cartel leader Osiel Cárdenas Guillen to the United States in 2007 where he faces multiple charges including drug trafficking and threatening to murder U.S. federal agents in Matamoros, Mexico. The Gulf Cartel is notoriously violent. Cárdenas was the first drug cartel leader to create his own paramilitary organization, the Zetas, discussed in more detail below.¹⁸

Mexican authorities report that in 2008 they plan to extend anti-cartel operations beyond patrolling to seeking out cartel gunmen in their safehouses. The Gulf cartel is believed to be responsible for two shootouts in Reynosa, Mexico, in early January 2008. Mexican authorities believe the shootouts were in reprisal for a confrontation between Mexican federal authorities and cartel members in Rio Bravo, Mexico, just across from Donna, Texas. The Rio Bravo confrontation led to the death of three Gulf cartel gunmen and the arrest of 10 other alleged cartel members, including three U.S. citizens. The McAllen, Texas, police chief stated that he does not believe that cartel violence is spilling over into the McAllen area.¹⁹

The Gulf cartel is reportedly branching out into other trafficking activities, including migrant smuggling. One possible explanation for the cartel's expansion into other smuggling efforts is that drug profits are down because of recent U.S. and Mexican enforcement efforts. The Gulf cartel is reportedly involved in human smuggling along the Texas border. U.S. authorities report that the drug cartels take part in human smuggling to divert U.S. law enforcement attention away from drug routes.²⁰

¹⁷ "Atrapados por las mafias," *Reforma*, August 7, 2005; CRS interview with DEA officials, November 8, 2006; and, CRS interview with Federal Preventive Police (PFP) official, November 14, 2006.

¹⁸ Oscar Becerra, "New Traffickers Struggle for Control of Mexican Drug Trade," *Jane's Intelligence Review*, September 1, 2004.

¹⁹ Ibid and Jeremy Roebuck and Sean Gaffney, "Mexico Vows Vigilance Against Cartel," *The Monitor*, January 9, 2008.

²⁰ Olga R. Rodriguez, "Mexican Drug Smugglers Use Migrants to Bait Feds," *Associated Press*, May 6, 2007.

Sinaloa Cartel

The Sinaloa cartel is based in the northwestern state of Sinaloa and headed by Joaquín "El Chapo" Guzmán. Guzmán is a fugitive who escaped from a Mexican prison in 2001. Alleged former Sinaloa cartel leader Hector Palma Salazar was extradited to the United States in January 2007 and faces charges in California for conspiracy to distribute large quantities of cocaine. In February 2008, Palma Salazar was sentenced to 16 years' imprisonment for cocaine trafficking.²¹ As noted above, the Sinaloa cartel has been engaged in a turf war with the Gulf cartel for the last several years to establish control of lucrative trafficking routes into the United States.

In October 2007, Mexican authorities arrested Sandra "Queen of the Pacific" Ávila Beltrán, a senior member of the Sinaloa cartel who was instrumental in building ties with between the Sinaloa cartel and Colombian cocaine traffickers. She faces drug trafficking charges in Mexico and the United States has reportedly requested her extradition on similar charges. In November 2007 Peruvian authorities announced that the arrest of five Sinaloa cartel members in Peru. Peruvian authorities report that the Sinaloa cartel is the largest purchaser of Peruvian cocaine, the majority of which is destined for European markets.²²

The Sinaloa cartel is also reported to be expanding into human smuggling, perhaps in response to the shut down of drug trafficking routes. The Sinaloa cartel reportedly now controls most migrant smuggling routes into Arizona.²³

Tijuana Cartel

The Tijuana cartel is headed by the Arellano Félix family. The cartel has suffered several arrests in recent years and it is not clear who is currently heading the cartel at this time. At its peak the cartel supplied 40% of cocaine consumed in the United States. While weaker than in the past, the cartel reportedly continues to control the Tijuana-San Diego corridor. Baja California, where Tijuana is located, was Mexico's most violent state in 2007 with over 400 murders. In September 2007, Mexico sentenced Benjamin Arellano Félix to 22 years' imprisonment on organized crime and drug trafficking charges. The United States requested his extradition in January 2007 to face drug trafficking, racketeering, and money laundering charges. The U.S. Coast Guard captured Francisco Javier Arellano Félix in the Sea of Cortes in August 2006. He pled guilty to running a criminal enterprise and money laundering and in November 2007 was sentenced to life imprisonment without the

²¹ Justice in Mexico Project, "Key Cartel Members Sentenced in U.S. and Mexican Courts," *News Report - February 2008*.

²² "Peruvian Cocaine Production Doubles in Six Years," *BBC Monitoring*, November 21, 2007; "Nine Held as International Drugs Ring Smashed in Peru," *BBC Monitoring*, November 25, 2007; Olga R. Rodriguez, "In Mexico, a 'Queen' Allegedly Rose to Kingpin," *Chicago Tribune*, October 14, 2007; "U.S. Seeks Extradition of Alleged Drug Leader from Mexico," *Xinhua News Agency*, December 1, 2007; and, Jo Tuckman, "Queen of the Pacific Has Mexico Hooked," *The Guardian*, October 6, 2007.

²³ Olga R. Rodriguez, "Mexican Drug Smugglers Use Migrants to Bait Feds," *Associated Press*, May 6, 2007.

possibility of parole in the United States. Yet another brother, Francisco Rafael Arellano Félix, was extradited to the United States in September 2006. He subsequently pled guilty to conspiracy to distribute cocaine and intent to distribute based on a 1980 drug bust. In September 2007, Francisco Rafael Arellano Felix was sentenced to six years in federal prison.²⁴

Juárez Cartel

The Juárez cartel is headed by Vicente Carrillo Fuentes and is based in Ciudad Juárez, across the border from El Paso, Texas. The Juárez cartel was dominant in the 1990s, but became less dominant following the death of leader Amado Carrillo Fuentes. The Juárez cartel was the principal target of the "Maxiproceso" effort which issued 110 arrest warrants of alleged cartel members and accomplices in the late 1990s, 65 of which were executed against persons allegedly tied to the Juárez cartel. Maxiproceso prosecutions continued in 2007, including the acquittal of Arturo Hernández who was charged with being a leader of the Juárez cartel's hitmen and spies. Although the cartel was weakened, it has a presence throughout much of Mexico and is considered one of the four major cartels. The Juárez cartel is widely believed to be benefitting from its membership in the Federation alliance of drug cartels and profiting from increased sales of Mexican heroin used to make cheese (a mixture of Mexican heroin and cold medicine) in Texas. Other reports, cited by the Government Accountability Office (GAO), indicated that the Juárez cartel may no longer be tied to the Federation due to murders committed by another Federation member.²⁵

Colima Cartel

The Colima cartel, also known as the Amezcua Contreras cartel, is based in the western state of Colima and focuses in synthetic drugs. Its leaders, the Amezcua Contreras brothers, are often referred to as the "Methamphetamine Kings." The three brothers have been imprisoned since 1997, yet the cartel continues to function in seven Mexican states. The United States has long sought the extradition of José de Jesús Amezcua Contreras, but an October 2007 list of extraditable drug capos prepared by the Mexican Attorney General's office reportedly stated that he cannot be extradited because of a standing judicial order blocking his extradition to the United States. In May 2007, Luis Amezcua Contreras also requested a judicial order blocking extradition to the United States. In December 2007, the Mexican newspaper *El Milenio* reported that the Colima cartel is starting to reconsolidate its

²⁴ "Bodies Found after Mexican Raid," *BBC News*, January 18, 2008 and S. Lynne Walker, "Cartel Figure Gets 22 Years in Mexico Prison," *San Diego Union-Tribune*, September 5, 2007.

²⁵ Government Accountability Office (GAO), *U.S. Counternarcotics Aid to Mexico*, August 2007; "Exonera Juez a Ex-Militar por Narcotráfico," *El Norte*, December 29, 2007; "Exhibe Fallas el 'Maxiproceso,'" *Reforma*, January 15, 2008; Alfredo Corchado, "Mexican Alliance Drives Drug Flow," *Knight Ridder Tribune News Service*, April 12, 2007; and Anna Gilmour, "Gulf War – Pressure Mounts on Mexico's Gulf Cartel," *Jane's Intelligence Review*, January 1, 2008.

position and is starting to win control of some trafficking routes dominated by the Sinaloa, Tijuana, and Gulf cartels.²⁶

Oaxaca Cartel

The Oaxaca cartel focuses on marijuana trafficking and operates in southern Mexico, particularly in the states of Oaxaca and Chiapas. It is led by Pedro Díaz Parada, who was arrested by federal agents in January 2007. Pedro Díaz Parada was sentenced to 33 years' imprisonment in 1985, but subsequently escaped prison twice – once in 1987 and again in 1992. Press reports indicate he ordered the murder of the sentencing judge in 1987. The Mexican government reportedly considers Díaz Parada to be one of the leading traffickers of drugs into southern Mexico via Mexico's border with Guatemala. The Oaxaca cartel reportedly joined forces with the Tijuana cartel in 2003 and press reports indicate that Díaz Parada was the most important representative of the Tijuana cartel in southeastern Mexico at the time of his arrest. Díaz Parada is also alleged to have ties with Colombian cocaine traffickers. Díaz Parada faces several charges including possession of marijuana and cocaine with the intent to distribute and illegal firearm possession.²⁷

Valencia Cartel

The Valencia cartel, led by Luis and Armando Valencia, is strong in central Mexico with a base in the state of Michoacán. The cartel is aligned with the Federation and is reported to operate in the strategic trafficking state of Colima, on Mexico's Pacific coast.²⁸

Enforcer Gangs

Mexican cartels employ individuals and groups of enforcers, known as *sicarios*. In August 2006, Mexico's Deputy Attorney General for Organized Crime, José Luis Santiago Vasconcelos, postulated that these gangs are becoming increasingly powerful as they fill the void left in cartels when their leadership are arrested by the

²⁶ "Se Reposiciona el Cártel de los Amezcua: Sedena," *El Milenio*, December 3, 2007; Rubén Torres, "Colima Se Salva de Narcoejecuciones, Pero No del Tráfico," *El Economista*, November 5, 2007; and, Silvia Otero, "PGR Alista Paquete de 15 Extraditables," *El Universal*, October 19, 2007.

²⁷ "Consignan a Pedro Díaz Parada a Penal del Altiplano," *NOTIMEX*, January 20, 2007; "Mexico Captures Díaz Parada Drug Cartel Leader," *Reuters*, January 17, 2007; "Captura PGR al Narcotraficante Pedro Díaz Parada," *Servicio Universal de Noticias*, January 17, 2007; "Capturan a Díaz Parada, Líder de Uno de los Siete Cárteles del País," *NOTIMEX*, January 17, 2007; "Consideran a Díaz Parada Narcotraficante de la 'Vieja Guardia,'" *NOTIMEX*, January 18, 2007; "Revelan Reportes Nexo Díaz Parada – Tigrillo," *Palabra*, January 19, 2007; and "Dictan Formal Prisión a Pedro Díaz Parada," *NOTIMEX*, January 24, 2007.

²⁸ Rubén Torres, "Colima Se Salva de Narcoejecuciones, pero no del Tráfico," *El Economista*, November 5, 2007 and "Les Principales Organisations Criminelles et Leurs Chefs," *Le Monde*, January 22, 2008.

Mexican government. The Mexican government arrested over 300 *sicarios* from January 2000 through September 2006, with Gulf cartel enforcers accounting for over one-quarter of arrests. This included 134 enforcers from the Gulf cartel, 107 from the Tijuana cartel, 98 from the Sinaloa cartel, 66 from the Juárez cartel, 15 from the Millennium cartel, 6 from the Oaxaca cartel, and 2 from the Colima cartel. Some analysts speculate that the Gulf cartel lost more of its enforcers because of greater exposure due to their mobility throughout Mexico defending Gulf cartel territory and competing for new territory.

The Gulf and Sinaloa cartels also employ more disciplined groups respectively known as the Zetas and Negros. In July 2006, the Mexican daily *Reforma* reported findings of a Mexican federal investigation that the Gulf cartel is recruiting MS-13 gang members and Guatemalan Kaibiles. Mexican and U.S. law enforcement officials, however, deny that there are significant ties between Mexican cartels and MS-13, indicating that the cartels will work with Central American gangs on specific tasks, but that these gangs are not as disciplined as the cartels, so the cartels have not deepened ties with them.²⁹

Gulf Cartel

The Zetas are unique among drug enforcer gangs in that they operate "as a private army under the orders of Cárdenas' Gulf cartel, the first time a drug lord has had his own paramilitary."³⁰ Most reports indicate that the Zetas were created by a group of 30 lieutenants and sublieutenants who deserted from the Mexican military's Special Air Mobile Force Group (Grupo Aeromovil de Fuerzas Especiales, GAFES) to the Gulf cartel in the late 1990s. As such, the Zetas were able to carry out more complex operations and use more sophisticated weaponry. The Zetas were instrumental in the Gulf cartel's domination of the drug trade in Nuevo Laredo, and have fought to maintain the cartel's influence in that city following the 2003 arrest of its leader Osiel Cárdenas. Press reports have charged that these soldiers turned cartel enforcers were trained in the United States; however, the Washington Office on Latin America was unable to confirm this claim while researching a June 2006 special report on drug violence.³¹ Estimates on the number of Zetas range from 31 to up to 200.³² Reports indicate that while the Zetas were initially comprised of

²⁹ "Mexico: Gunmen Taking over the Cartels," *LatinNews Weekly Report*, August 8, 2006; Rolanda Herrera, "Retira PGR a Sicarios," *Reforma*, August 6, 2006; Rolanda Herrera, "Atribuyen a Movilidad las Capturas de Narcos," *El Norte*, August 6, 2006; Martín Morita, "Acechan 'Zetas' Sureste," *Reforma*, July 27, 2006; CRS interview with Mexican Federal Preventative Police (PFP) official, November 14, 2006; CRS interview with FBI officials, January 10, 2007; and, CRS interview with DEA officials, November 8, 2006.

³⁰ Oscar Becerra, "New Traffickers Struggle for Control of Mexican Drug Trade," *Jane's Intelligence Review*, September 1, 2004.

³¹ Freeman, June 2006.

³² *LatinNews* reports that the Mexican government estimates there are 31 members of the Zetas based on rewards offered for military deserters in 2003. The U.S. government estimates that there are 68 members of the Zetas. See "Violence Across Mexico-U.S. Border: U.S. Sees Los Zetas as an 'Emerging Threat,'" *Latin American Security and Strategic* (continued...)

members of special forces, they now include federal, state, and local law enforcement personnel as well as civilians. In September 2005 testimony to the Mexican Congress, then-Defense Secretary Clemente Vega indicated that the Zetas had also hired at least 30 former Guatemalan special forces (Kaibiles) to train new recruits because "the number of former Mexican special forces men in their ranks had shrunk from 50 to no more than a dozen, and they were finding it hard to entice more members of the Mexican military to join."³³

The Zetas act as assassins for the Gulf cartel. They also traffic arms, kidnap, and collect payments for the cartel on its drug routes. Mexican law enforcement officials report that the Zetas have become an increasingly sophisticated, three-tiered organization with leaders and middlemen who coordinate contracts with petty criminals to carry out street work.³⁴ The Zetas have maintained the territory of the Gulf cartel in the northern cities of Matamoros and Nuevo Laredo following the 2003 arrest of the Gulf cartel leader, Osiel Cárdenas. In addition to defending the cartel's terrain in northern Mexico, Zetas are believed to control trafficking routes along the eastern half of the U.S.-Mexico border.³⁵ Although initially found mainly along Mexico's northern border, the Zetas now have a presence in southern Mexico, where the Gulf cartel is disputing territory previously controlled by the Juárez and Sinaloa cartels. A recent federal investigation found that the Zetas also engage in kidnaping, drug dealing, and money laundering.³⁶ In July 2006, local police in the southern state of Tabasco unknowingly arrested Mateo Díaz López, believed to be a leader of the Zetas. The arrest prompted an assault on the police station killing 4 people, including 2 police officers, but the assault did not succeed in liberating Díaz López, who was subsequently transferred to a prison in Guadalajara.³⁷

The Zetas also trained the Michoacán-based "La Familia" enforcer gang which has carried out numerous executions in that state. The Familia maintains close ties to the Zetas, but are a smaller entity.³⁸

³² (...continued)

Review, December 2005. *Time Magazine* and *The Washington Times* report that there are as many as 200 Zetas. See, "The Killers Next Door," *Time Magazine*, April 18, 2005 and "Mexican Mercenaries Expand Base into U.S.," *The Washington Times*, August 1, 2005.

³³ "Violence Across Mexico-U.S. Border: U.S. Sees Los Zetas as an 'Emerging Threat,'" *Latin American Security and Strategy Review*, December 2005.

³⁴ CRS interview with Federal Preventative Police, November 14, 2006.

³⁵ Oscar Becerra, "New Traffickers Struggle for Control of Mexican Drug Trade," *Jane's Intelligence Review*, September 1, 2004.

³⁶ Martín Morita, "Desatan cárteles guerra en el sureste," *Reforma*, July 27, 2006.

³⁷ Miguel Angel Granados Chapa, "Plaza Pública/ Peligroso Tabasco," *Reforma*, March 7, 2007; Martín Morita, "Desatan cárteles guerra en el sureste," *Reforma*, July 27, 2006; and "Growing, but Distinct Elements, so Far," *Mexico & NAFTA Report*, August 2006.

³⁸ CRS interview with the Federal Preventative Police (PFP), November 14, 2006.

Sinaloa Cartel

In response to the Zetas, the Sinaloa cartel established its own heavily-armed enforcer gangs, the Negros and Pelones. Both are less sophisticated than the Zetas, and focused on attacks against adversaries.³⁹ Edgar "La Barbie" Valdés Villarreal is alleged to be the head of the Negros. The Negros are believed to be "responsible for the recent rise in attacks against police officers in Nuevo Laredo, in an attempt to wrest control over the local police from the Zetas."⁴⁰

In recent turf wars in Tamaulipas, Guerrero, Michoacán, Nuevo León, and Tabasco, the Zetas have alleged that the Sinaloa cartel and Negros leader "La Barbie," enjoy police protection. The Mexican government dismissed these charges, noting that it has at varying times focused on prosecutions of different cartels, and each time the affected cartel charges that the government is working on behalf of a rival organization.⁴¹ In May 2006, "La Barbie" made similar allegations of police protection of the Zetas in a full-page ad in a Mexico City daily.⁴²

Police Corruption

Mexican cartels advance their operations, in part, by corrupting or intimidating law enforcement officials. For example, Nuevo Laredo municipal police have reportedly been involved in the kidnaping of Gulf cartel competitors to hand over to the Zetas. The Zetas then hold them for ransom or torture them for information about their drug operations.⁴³ The International Narcotics Control Board⁴⁴ (INCB) reports that although Mexico has made concerted efforts to reduce corruption in recent years, it remains "a serious problem."⁴⁵ Recent efforts to combat corruption include promoting professionalism in law enforcement agencies and inclusion of rule of law lessons in training. Nevertheless, the INCB recommends that Mexico continue to promote efforts to combat corruption.⁴⁶

Some agents of Mexico's Federal Investigative Agency (AFI) are believed to work as enforcers for the Sinaloa cartel, and the Attorney General's Office (PGR) reported in December 2005 that one-fifth of its officers are under investigation for criminal activity. The PGR reported in late 2005 that nearly 1,500 of AFI's 7,000

³⁹ Ibid.

⁴⁰ Freeman, June 2006.

⁴¹ Rolando Herrera, "Pierde 105 sicarios el Cártel del Golfo," *El Norte*, August 6, 2006.

⁴² Freeman, June 2006.

⁴³ Ibid.

⁴⁴ The International Narcotics Control Board is an independent agency charged with monitoring the implementation of United Nations international drug control conventions.

⁴⁵ International Narcotics Control Board, *Report of the International Narcotics Control Board for 2006*, March 1, 2007.

⁴⁶ Ibid.

agents were under investigation for suspected criminal activity and 457 were facing charges. In November 2005, a video depicting the interrogation of four Zetas who revealed their methods of torture, ties to Mexican law enforcement agencies, and recruitment techniques, was given to the *Dallas Morning News*. The video ends with the murder of one of the Zetas. The Mexican government sent mixed signals about the involvement of AFI agents in the kidnaping of the Zetas, first announcing that eight agents were under investigation, and then announcing that AFI agents had no connection to the kidnaping and murder of the four Zetas.⁴⁷ However, a report from a non-governmental organization says that "subsequent U.S. and Mexican press reports based on Mexican court files have concluded that AFI agents probably kidnaped the Zetas in the resort city of Acapulco, then handed them over to members of the Sinaloa cartel to be interrogated and executed."⁴⁸

In recent years, the Mexican federal government conducted purges and prosecution of police forces in Nuevo Laredo; Apatzingan, Michoacán; and, Tijuana, Baja California. The Fox administration launched Operation Secure Mexico in June 2005 to combat drug violence and police corruption in cities with high incidences of drug violence. Federal officers arriving in Nuevo Laredo were fired on by municipal police leading to the arrest of 41 municipal police and the suspension of the entire 700-member Nuevo Laredo police force to investigate corruption. Less than one-half would be cleared to return to duty. In late June 2005, federal police rescued 44 people, the majority of whom claimed that they had been kidnaped by municipal police before being transferred to Gulf cartel safe houses.⁴⁹ In spite of these efforts, reports indicate that the Zetas continue to have influence over Nuevo Laredo's municipal police, and that warring cartels are gaining influence in all law enforcement present in the city. In 2006, Mexico launched the Northern Border (Frontera Norte) initiative, a federal-state effort to fight violence that included the deployment of 800 Federal Protective Police (PFP) officers to Nuevo Laredo. These 800 officers are in addition to the 300 federal officers deployed in Nuevo Laredo under Operation Secure Mexico. In March 2006, four PFP officers were killed after locating a cartel safe house. Federal officials announced that initial evidence indicated that municipal police officers were responsible for the killings.⁵⁰

The anti-cartel operations begun by President Calderón in December 2006 included ballistic checks of police weapons in places such as Tijuana where there is concern that police are also working for the cartels. In April 2007 over 100 state police officers in the northern state of Nuevo León were suspended due to corruption concerns. In June 2007, President Calderón purged 284 federal police commanders, including federal commanders of all 31 states and the federal district. These

⁴⁷ "Crime-torn Mexican 'FBI' Investigates 1,500 Agents," *Reuters*, December 4, 2005; Tim Gaynor and Monica Medel, "Drug Gangs Corrupt Mexico's Elite 'FBI,'" *Reuters*, December 6, 2005; and, Freeman, June 2006.

⁴⁸ Freeman, June 2006.

⁴⁹ James Pinkerton, "Freed Captives in Mexico Say Police Abducted Them," *Houston Chronicle*, June 29, 2005 and Freeman, June 2006.

⁵⁰ "Mexico: New Border 'Offensive' Met with Escalation of Violence," *Latin American Security & Strategic Review*, March 2006 and Freeman, June 2006.

commanders were suspended and subjected to drug and polygraph tests. The Mexican government immediately named replacements for the 284 dismissed commanders. The new commanders all successfully passed an array of examinations designed to weed out corrupt officers, including financial checks, drug testing, and psychological and medical screening. These tests are to be repeated on a regular basis.⁵¹

Turf Wars

The 2002 arrest of Benjamin Arellano Felix, head of the Tijuana cartel, and the 2003 arrest of Gulf cartel head Osiel Cárdenas, led to a realignment of Mexican cartels and increased turf wars. While in prison, Arellano Felix and Cárdenas forged an alliance against the Sinaloa cartel and its ally the Juárez cartel. Cartels are now largely aligned into two blocks in support of the Gulf and Sinaloa cartels. Below is a description of three turf wars: Nuevo Laredo (across the border from Laredo, Texas), Guerrero (in southern Mexico), and Michoacán (in central Mexico). These examples are illustrative but not exhaustive descriptions of cartel violence in Mexico.

Nuevo Laredo

The border city of Nuevo Laredo, across from Laredo, Texas, has been particularly hard hit by drug violence since the Sinaloa cartel began to contest the Gulf cartel's domination of Nuevo Laredo following the 2003 arrest of Gulf cartel leader Osiel Cárdenas. This has led to the most publicized of Mexico's turf wars due to the intensity of the violence and its proximity to the United States. Over 60 U.S. citizens have been kidnaped in Nuevo Laredo since the beginning of the turf war, at least 20 are still missing. Press reports indicate that hundreds of Mexicans have been kidnaped in Nuevo Laredo. Murders are on the increase in this city of 350,000, with 600 murders since 2003. Nuevo Laredo has not had a police chief in nearly a year due to the violence. The most recent chief resigned, but his predecessor was murdered.⁵² On February 19, 2007, the day after President Calderón announced the expansion of his counternarcotics operation into Nuevo Laredo, gunmen wounded Mexican Congressman Horacio Garza and killed his driver in Nuevo Laredo.⁵³ The Gulf cartel is believed to be responsible for the attack. In July 2007 drug cartels reportedly threatened to kill an unnamed American journalist in Laredo for writing reports on the cartels. Both the *Dallas Morning News* and *San Antonio Express-News* took measures to protect their journalists working in the area.⁵⁴

⁵¹ CRS interview with Mexican Embassy officials, October 27, 2006; "Mexico: Congress Summons Defense Minister," *Latin American Weekly Report*, April 19, 2007; "Mexico Shakes Up Federal Police," EFE News Service, June 25, 2007; and, Sam Enriquez, "Mexico Purges Federal Police Chiefs," *Financial Times*, June 26, 2007.

⁵² Alfredo Corchado, "Nuevo Laredo Handcuffed by Drug Trade," *Dallas Morning News*, February 22, 2007.

⁵³ Mark Stevenson, "Mexico's President Announces Anti-Crime Plan after Police Chief Shot," *Associated Press*, March 7, 2007.

⁵⁴ Mariano Castillo, "Ambush Views Run Wild," *San Antonio Express News*, February 21, (continued...)

The warring cartels are thought to compete for influence over law enforcement and the media, and use intimidation and murder as they see fit. In February 2006, gunmen suspected of ties with drug traffickers attacked offices of the daily *El Mañana* after it published a picture of a federal police officer and linking him to the Sinaloa cartel, critically injuring a reporter. The paper subsequently announced that it would scale back coverage of drug violence. The Committee to Protect Journalists has noted a high level of self-censorship among media in Nuevo Laredo and other parts of northern Mexico. U.S. Ambassador Tony Garza closed the U.S. consulate in Nuevo Laredo from July 29 to August 8, 2005 due to safety concerns and submitted a diplomatic note to the Mexican government in January 2006 expressing U.S. concern over violence in this border city. In April 2007, the State Department advised Americans to use caution when traveling in Mexico due to drug violence, though it noted that no Americans are known to have been targeted.⁵⁵

In 2007, the epicenter of the turf war appeared to shift from Nuevo Laredo, just across from Laredo, Texas, to the northern Mexican state of Nuevo Leon, long considered to be one of Mexico's most prosperous and stable states. There are two possible explanations for the shift in the turf war: (1) the Gulf cartel and its enforcer gang, the Zetas, succeeded in maintaining control of the Nuevo Laredo corridor and (2) the Gulf and Sinaloa cartels reached a truce to reduce violence in Nuevo Laredo in response to the government crackdown in the area.⁵⁶

Guerrero

The cities of Zihuatenejo and Acapulco have witnessed increased drug violence due to the Gulf cartel's challenge to the Sinaloa cartel's control of Guerrero. A state police chief was murdered in Acapulco on April 28, 2006, days after the attempted murder of a former state attorney general in the resort city. The Zetas interrogated in the video described above were allegedly abducted in Acapulco. There were several beheadings in 2006, including that of a police officer in retribution for a shootout. In March 2007 the torture and beheading of a man with a Z on his chest, apparently for the Zetas, was video taped and briefly circulated on the internet.⁵⁷

⁵⁴ (...continued)
2007.

⁵⁵ Department of State, "Mexico," April 19, 2007; Committee to Protect Journalists, "Dread on the Border," February 24, 2006; "Mexico: Gang-related Killings Reported to be Up by 29%," *Latin America Weekly Report*, June 13, 2006; and Freeman, June 2006.

⁵⁶ Mariano Castillo, "Laredo Was a Battleground in Dope Cartels' War on Border," *San Antonio Express-News*, August 19, 2007 and Laurence Iliff, "Mexico, U.S. Step up Efforts to Combat Zetas," *McClatchy-Tribune News Services*, January 9, 2008.

⁵⁷ Freeman, June 2006; Indira A.R. Lakshmanan, "Drug Related Violence Moves into Acapulco; Area's \$2.3B Tourist Industry may be at Risk," *Boston Globe*, July 30, 2006; and, Hector Tobar, "A Cartel Army's Struggle Within," *Los Angeles Times*, May 20, 2007.

Michoacán

Four cartels are engaged in a turf war in Michoacán– the Juárez, Gulf, Millennium, and Colima cartels. The Colima cartel, headed by the Amezcua brothers (who are known as "the Kings of Methamphetamine") controlled the drug trade in Michoacán, but was weakened following the 1998 arrest of José de Jesús Amezcua and the 2001 arrest of Adán Amezcua. While the Colima cartel continues to operate, the Millennium cartel now controls the state. Michoacán authorities have noted the presence of the Gulf cartel's Zetas and the "Familia," a Gulf Cartel enforcer gang trained by the Zetas that operates in Michoacán. Three shootouts between July 21 and July 23, 2006 left eight dead. On July 28, 2006, a man presumed to work for the Sinaloa cartel was shot 100 times in what was believed to be a warning to the Sinaloa cartel. The town of Apatzingan, a center of drug cartel activity, has been a key area in the federal effort against cartels launched in December 2006. Violent deaths have increased in Michoacán in 2007, perhaps as a result of the pressure put on the cartels. There have also been allegations of human rights violations by the federal military and police forces in the area.⁵⁸

Mexican Government Response

Since taking office in December 2006, President Calderón has made combating drug cartels and drug violence a top priority of his administration. He has called increasing drug violence in Mexico a threat to the Mexican state, and has sent 24,000 soldiers and federal police to nine states to combat the cartels. Mexico's Attorney General, Eduardo Medina Mora, indicated in April 2007 that the government's anti-cartel initiative will expand beyond counter-cartel police and military operations to include institutional and operational reforms. He also stated that the only way Mexico can successfully defeat the cartels unless it gets more cooperation from the United States in combating arms trafficking and money laundering from the United States to Mexico. In October 2007 the White House Office of National Drug Control Policy reported that the Mexican government's increased pressure on cartels coincided with cocaine shortages in 37 U.S. cities and a 24% increase in the retail price of cocaine during the second quarter of 2007.⁵⁹

President Calderón maintains that his administration will stand up to threats of violence by the cartels and that it will take at least two years to take back control of Mexico. While many support the government's plan, critics note that drug violence continues. According to press reports, a Mexican government report from early 2007 charged that "the cartels remain intact and executions have spread to previously

⁵⁸ "Asedian a Michoacán cárteles de la droga," *Reforma*, September 18, 2005; Adán García, "Dejan 'mensaje' a cártel," *Mural*, July 29, 2006; Adán García, "Matan en Michoacán a ocho en 48 horas," *Mural*, July 23, 2006; and, "Calderón Fights Gangs with Little Success," *National Public Radio*, May 16, 2007.

⁵⁹ White House Office of National Drug Control Policy, "White House Drug Czar Releases Southwest Border Counternarcotics Strategy," October 2, 2007; "Mexico: Medina Mora Admits Country at Crisis Point," *Latinnews Daily*, April 11, 2007; and Luis Méndez, "Debe EU Cooperar – PGR," *Mural*, April 10, 2007.

violence-free areas."⁶⁰ Press reports indicate that between 1,800 and 1,900 Mexicans were killed in cartel related violence in the first nine months of 2007; the Mexican government does not maintain statistics on cartel murders. In addition to the anti-drug operations, President Calderón has increased salaries of troops involved in counter-cartel operations by nearly 50%; placed the Federal Preventative Police (PFP) and the Federal Investigative Agency (AFI) under one commander as part of his plans to create a unified federal police force; and announced the "Platform Mexico" initiative to improve federal, state, and local law enforcement capacity to exchange information on drug cartels, including the creation of a database that will cover 5,000 police stations by 2009.⁶¹

President Calderón has indicated that he will use extradition as a major tool to combat drug traffickers. In January 2007, Mexico extradited 15 persons wanted for prosecution in the United States, including four senior drug traffickers: Osiel Cárdenas Guillén, the alleged head of the powerful Gulf cartel; Ismael Higuera Guerrero and Gilberto Higuera Guerrero of the Tijuana cartel led by the Arellano Felix family; and, Hector Palma Salazar of the Sinaloa cartel. From January through August 2007 Mexico extradited 64 suspected criminals to the United States, compared to the record 63 alleged criminals extradited to the United States in 2006.

U.S. Counternarcotics Assistance to Mexico

Mexico is one of the largest recipients of U.S. counternarcotics assistance, though it receives significantly less assistance than larger counterdrug programs in Afghanistan or Colombia. The United States provides counternarcotics assistance to Mexico through the International Narcotics Control and Law Enforcement (INCLE) account. Annual figures on INCLE assistance to Mexico are shown in the table below. The Administration's budget request for FY2008, \$27.8 million, cuts U.S. counternarcotics assistance to Mexico by 22% compared to FY2007 levels. In its *Congressional Budget Justification*, the State Department contends that these cuts are appropriate because Mexico is the thirteenth largest economy in the world. Since FY2002, border security programs have typically accounted for about 35% of INCLE assistance to Mexico. Other major components of INCLE assistance include aviation support; operational support for Mexico's drug interdiction and eradication programs; and, professionalization and training of Mexican law enforcement personnel.

⁶⁰ Jeremy Schwartz, "Mexico Faces its Demons; Drug War Ever More Violent," *Cox News Service*, March 4, 2007 and "Mexico: A Bad Week for Calderón's 'Offensives'," *Latin American Weekly Report*, February 22, 2007.

⁶¹ University of San Diego Trans-Border Institute, *Justice In Mexico*, October 2007; Patty Reinert and Dudley Althaus, "U.S. Issues Mexico Travel Alert," *Houston Chronicle*, April 21, 2007; Julie Watson, "Mexican President Gives Soldiers Pay Hike as Drug War Intensifies," *Associated Press*, February 19, 2007; Mark Stevenson, "Mexico's President Announces Anti-Crime Plan after Police Chief Shot," *Associated Press*, March 7, 2007; and, "¿100 Acciones?," *Reforma*, March 10, 2007.

Table 1: INCLE Assistance to Mexico, FY2002 to FY2008
(in millions of U.S. \$)

FY2002	FY2003	FY2004	FY2005	FY2006	FY2007 (est)	FY2008 (req)
37.0	12.0	37.0	39.7	39.6	36.7	27.8

Mérida Initiative. On October 22, 2007, the United States and Mexico issued a joint statement announcing a multi-year plan for \$1.4 billion in U.S. assistance to Mexico and Central America to combat drug trafficking and other criminal organizations. The Administration requested \$500 million for Mexico and \$50 million for Central America in the FY2008 Supplemental Appropriations request. The joint statement highlights current efforts of both countries, including Mexico's 24% increase in security spending in 2007. The stated objective of the Mérida Initiative is "to maximize the effectiveness of our efforts to fight criminal organizations -- so as to disrupt drug-trafficking (including precursor chemicals); weapons trafficking, illicit financial activities and currency smuggling, and human trafficking."⁶²

All of the proposed FY2008 funding for the Merida Initiative is through the INCLE account, administered by the Department of State's Bureau of International Narcotics and Law Enforcement Affairs. The proposed \$500 million in funding for Mexico is largely in the form of equipment and training. The funding would provide helicopters, surveillance aircraft, scanners, training, and information technology improvements for Mexican federal law enforcement and intelligence agencies.⁶³

Congress did not provide funding for the Mérida Initiative in the FY2008 Consolidated Appropriations Act (P.L. 110-161) and as of February 2008 there is no legislative vehicle to fund the Mérida Initiative. The FY2008 Consolidation Appropriations report expressed congressional disappointment that the Administration did not consult with Congress prior to the publication of the \$550 million request. Congressional interest in the proposed supplemental funding for the Mérida Initiative is likely to continue in the second session of the 110th Congress, as Congress may consider the FY2008 Supplemental request in addition to the FY2009 Budget request. In February 2008, the Administration requested \$450 million in funding for the Mérida Initiative in Mexico. For additional information on the Mérida Initiative, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Colleen W. Cook and CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

⁶² U.S. Department of State and Government of Mexico, "Joint Statement on the Merida Initiative," October 22, 2007.

⁶³ For more detail on proposed Merida Initiative assistance to Mexico, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Colleen W. Cook.

Policy Approaches and Debates

Current U.S. counternarcotics policy toward Mexico focuses on the interdiction and eradication of drug shipments, primarily through border security screening efforts along the U.S.-Mexico border. Supporters of U.S. counternarcotics policy maintain these efforts have disrupted drug shipments and decreased rates of drug use among American youth. Some critics of current policy call for an expansion of U.S. counternarcotics efforts beyond the conventional law enforcement approach. The Calderón administration has also called for increased U.S. efforts in areas it considers critical in combating drug trafficking and cartel violence.

The President's National Drug Control Strategy for 2007 asserts that the Administration is following a balanced drug strategy that focuses on: prevention of drug use; treatment; and disrupting the illicit drug market. In the last five years significant achievements have been made in reducing youth use of LSD, Ecstasy, and methamphetamine. The Administration maintains that domestic and international law enforcement efforts against drug trafficking not only disrupt the drug supply but are key to combating the corrosive impact of the drug trade on societies and governments. By countering the influence of drug trafficking organizations, U.S. assistance helps countries improve security; increase economic development; and improve the rule of law. Enforcement efforts against drug cartels are also a key element of protecting U.S. national security. The Government Accountability Office (GAO) recently determined that U.S. assistance has successfully improved Mexico's capacity to combat drug trafficking. The GAO noted that cooperation between the countries has improved significantly in recent years, but that there is room for further cooperation. GAO pointed to the need for an agreement to allow U.S. law enforcement to board Mexican vessels at high seas when those vessels are suspected of carrying drugs. GAO also called for increased surveillance cooperation and for the United States to coordinate its border narcotics strategy with Mexico.⁶⁴

Non-governmental groups and individuals have advocated alternative strategies. For example, in his recent book *High Society*, Joseph Califano, the president of the National Center on Addiction and Substance Abuse (CASA) at Columbia University, argues for more assertive international counternarcotics efforts. He maintains that counternarcotics has long taken a back seat to other foreign policy concerns, be it the Cold War or terrorism. Califano contends that this has resulted in reduced diplomatic pressure on drug producing countries that are needed as allies in other endeavors. He has stated that prevention of illicit drug flows into the United States should be a foreign policy priority and that United Nations drug treaties should be strengthened. He also calls for increased penalties for drug traffickers and stronger banking laws to prevent money laundering.

The non-governmental organization Washington Office on Latin America (WOLA) called for a combination of U.S. domestic programs and targeted foreign aid to Mexico in its June 2006 report on cartel violence in Mexico, *State of Siege: Drug-Related Violence and Corruption in Mexico*. WOLA suggested cutting cartel

⁶⁴ Government Accountability Office, "Drug Control: U.S. Assistance Has Helped Mexican Counternarcotics Efforts," August 2007.

revenue by reducing U.S. demand for illicit drugs through improved drug prevention education and increasing access to addiction treatment. Drug prevention and treatment programs (including research) currently account for 35% of U.S. federal counterdrug spending.⁶⁵ Yet, WOLA reports that only one-third of U.S. schools offer drug prevention curricula shown to effectively reduce drug use and calls for increased funding to guarantee that schools are using effective drug prevention curricula. WOLA also calls for reducing arms trafficking into Mexico by requiring background checks for all U.S. gun purchases and limiting the number of weapon and ammunition purchases to prevent the re-sale and trafficking of weapons legally purchased in the United States to Mexican cartels. In Mexico, WOLA calls for restoration of public order and support of judicial and police reforms to create effective oversight mechanisms to detect and deter police corruption. Finally, WOLA notes that Mexican authorities currently lack the investigative capacity to solve drug crimes, including murder of police officers, and calls on Mexico to extradite major criminals to the United States, which has the institutional capacity to successfully prosecute major drug traffickers.

Michael Shifter, of the Inter-American Dialogue, also calls for renewed focus on demand reduction and reduction in arms trafficking from the United States. He notes that many Latin American nations resent what they consider to be the United States' unilateral approach to counternarcotics policy and calls for increased multilateral efforts. Shifter maintains that weak institutions, poverty, and social exclusion in Latin America, make Latin American nations, including Mexico, more vulnerable to drug trafficking and cartel violence. He suggests that counternarcotics efforts may be more successful if they address these systemic problems which enable drug cartels to gain power and influence.⁶⁶

The Mexican government urges the U.S. Congress to approve the Administration's request for \$1 billion in funding to support the Mérida Initiative in FY2008 and FY2009. Mexico maintains that its counternarcotics efforts will fail without more U.S. support to: reduce arms trafficking into Mexico; stop the trafficking of drug earnings into Mexico; and reduce Americans' demand for illicit drugs. Requesting assistance from the United States is a sensitive issue in Mexico, a country that traditionally has been wary of U.S. intervention. In February 2008, the Director of the White House Office on National Drug Control Policy, John P. Walters, reportedly urged Congress to approve funding for the Mérida Initiative to take advantage of an "historic opportunity" to assist Mexico. He also called for more awareness among U.S. marijuana users about how their consumption of the drug is funding Mexican drug cartels. Walters maintained that over 60% of Mexican drug cartel profits from the United States are from marijuana.⁶⁷

⁶⁵ Office of National Drug Control Policy, *National Drug Control Strategy – FY2008 Budget Summary*.

⁶⁶ Michael Shifter, "Latin America's Drug Problem," *Current History*, February 2007.

⁶⁷ Alfredo Corchado, "U.S. Users Bankroll Cartels," *Dallas Morning News*, February 22, 2008 and Oscar Avila, "Mexico Leader: No Retreat on Drugs," *Chicago Tribune*, February 7, 2008.

Other U.S. counternarcotics efforts, most notably the Andean Counterdrug Initiative, include funds for alternative development programs to encourage drug crop farmers to switch to production of licit crops. The United States does not fund alternative development programs in Mexico. Mexican officials interviewed for this report indicated that Mexico also does not fund alternative development programs in marijuana and opium poppy growing regions of the country. These officials suggested that there is a weaker correlation between poverty and drug crop cultivation in Mexico than in other countries in the region.⁶⁸

⁶⁸ CRS interview with Mexican Embassy officials, November 14, 2006.