Cartels, Corruption, Carnage, and Cooperation

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C O N N E X I O N S

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Chapter 1

Baker Institute for Public Policy[1]

Baker Institute for Public Policy Content

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[1]This content is available online at <http://cnx.org/content/m23464/1.2/>.
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Chapter 2

Introduction[1]

Few problems regarding the U.S.-Mexico border offer more challenge than those pertaining to illicit drugs. Trafficking in marijuana, cocaine, heroin, methamphetamines, and other psychoactive substances involves tens of billions of dollars, intricate networks of criminals in both countries, and cooperative arrangements with government agents, from local law enforcement to high levels of the Mexican government.

On the U.S. side, a key factor is an apparently ineradicable demand for these drugs, combined with a longstanding legal policy of prohibiting their use. This combination drives the retail prices of the drugs to levels far beyond the cost of production, generating enormous profits for criminals and those who abet their activities.

For decades, a symbiotic relationship between the political establishment and criminal organizations in Mexico served as a check on violence and threats to insecurity. In recent years, that balance has been upset, as criminal factions have raised the level of violence against each other as they struggle over control of the drug trade and against government forces attempting to stem that violence and establish a more legitimate democratic order.

The United States has increased its anti-drug forces along the border and has begun to send hundreds of millions of dollars to Mexico to help bolster its efforts to control and perhaps defeat the increasingly violent drug cartels. In addition, the two countries are working, with mutual apprehensions, to increase collaboration among their several anti-drug agencies. The outcome remains in doubt and no policy panaceas are in sight. It is possible, however, to offer plausible recommendations for improvement.

[1] This content is available online at <http://cnx.org/content/m37157/1.1/>.

Chapter 3

The Growth of the Drug Cartels[1]

In 1914, the United States Congress passed the Harrison Narcotics Tax Act, the country's first major effort to regulate the production, importation, and distribution of opiate drugs such as heroin, opium, and laudanum. Federal, state, and local laws against marijuana, cocaine, and other drugs soon followed, often accompanied by harsh penalties for their violation. Mexico, a major producer of marijuana and a significant source of opium, enacted similar laws, thus criminalizing what had long been legal behavior. The passage of such laws did little to affect the desire for the drugs in question, so Mexican farmers and entrepreneurs, now operating as outlaws, developed ways of smuggling their contraband products across the border to the United States. Although that task was fairly easy in the early years, the risks incurred in getting an illegal product from field to customer drove prices upward and produced substantial profits for those along the supply and delivery chain. The lure of lucre attracted a variety of criminal gangs to their enterprise. Eventually, as in many businesses, consolidation occurred and a powerful Guadalajara-based crime figure, Miguel Angel Félix Gallardo, managed to gain control over most of the cross-border drug business.

In September 1969, U.S. President Richard Nixon formally declared a War on Drugs, aimed at marijuana, heroin (from Asia as well as Mexico), cocaine (from South America), and newly popular drugs such as LSD. The key components of that war, now waged for 40 years, have been eradication, interdiction, and incarceration. Despite the eradication of millions of marijuana, coca, and opium plants, the seizure of hundreds of tons of contraband, and the incarceration of hundreds of thousands of offenders, accomplished at a cost of hundreds of billions of dollars, the successes of the War on Drugs have been few and impermanent. Demand levels vary over time, but the supply is always sufficient to meet it, often with a product of high quality. Difficulties in bringing a drug to market may raise the price, but that can also increase profits, assuring a ready supply of volunteers willing to take the risks.

At times, apparent success in one arena produces devastation in another. In the early 1980s, for example, U.S. operations aimed at thwarting the smuggling of cocaine from Colombia via Florida and the Caribbean proved sufficiently effective that the Colombians turned to Félix Gallardo and the extensive organization under his control. Soon, Mexico became the primary transshipment route for an estimated 90 percent of the cocaine that reached the United States, and the riches that accrued to that partnership grew to unimagined levels. Under Félix Gallardo's oversight, the Colombian-Mexican coalition operated rather smoothly, in spite of stepped-up efforts by U.S. agents at major transit spots along the border and U.S. pressure on the Mexican government to increase its own anti-drug efforts.

In 1989, prodded by the U.S. Drug Enforcement Administration (DEA), which furnished the Mexican government with intelligence about his activities and whereabouts, Mexican Federal Judicial Police arrested Félix Gallardo in his home. For a time, he was able to oversee his operation by mobile phone from prison, but as key men in his organization began to jockey for the top position, he brokered an arrangement by which the emerging rivals divided up the major trade routes among themselves, thus giving birth to the four major cartels—Gulf, Sinaloa, Juárez, and Tijuana—that dominated the Mexican drug trade for more than

[1] This content is available online at <http://cnx.org/content/m37159/1.1/>.

two decades. In recent years, inter-gang rivalry, internal division, and the rise of new organizations have contributed to violence that has reached dramatic proportions.

The Gulf cartel, directed from Matamoros, across from Brownsville, Texas, and operating in the states along the eastern (Gulf) coast of Mexico and under South Texas, was first headed by Juan Nepomuceno Guerra, who had risen to wealth and power by smuggling whiskey

into Texas during Prohibition. He was succeeded by several men, the most notorious of whom was Osiel Cárdenas Guillen, who was arrested by Mexican forces in 2003 and extradited to the United States in 2007 by the government of President Felipe Calderón.

In the 1990s, the Gulf organization was joined by a group of Mexican army commandos who deserted to seek a more rewarding life of crime. Known as Los Zetas and since enlarged by new recruits, they have become notorious for their extreme brutality and brazen ways, but also for operations that reflect strategic planning and long-term aspirations. With Cárdenas out of the way, the Zetas first increased their clout within the organization to the point that analysts often referred to the gang as the Gulf/Zetas. Led by Heriberto Lazcano Lazcano, they subsequently drew away from the Gulf faction, with an apparently final break in early 2010, wrested control of substantial portions of Gulf's territory, and extended their own reach deep into Guatemala. They have also formed alliances with other cartels or factions to fight common enemies, including their former compadres.

The Sinaloa cartel, ensconced in the western region that still produces most of the marijuana and opium grown in Mexico and perhaps the most powerful of the cartels, is headed by Joaquin "El Chapo" ("Shorty") Guzman. A key faction led by five Beltrán-Leyva brothers broke away from Guzman to become an important independent group, working in recent years with the Zetas. The arrest of two of the brothers, the death of a third at the hands of the Mexican military, and the arrest of another key leader have left the Beltrán-Leyva gang in a weakened state. In July 2010, Mexican troops killed Ignacio Coronel Villareal, one of Guzman's closest associates, posing a potential threat to the Sinaloa gang's stability as well.

The Juárez cartel was originally led by another powerful Sinaloan, Amado Carrillo Fuentes. After he died during plastic surgery intended to alter his appearance to foil authorities, the leadership fell to his brother, Vincent Carrillo Fuentes. Most of the murderous violence that has wracked Ciudad Juárez in recent years has stemmed from the efforts of this group to repel the Sinaloan cartel's attempts to gain control of valuable cross–border smuggling routes and, more recently, the drug traffic in Juárez itself.

Félix Gallardo ceded control of northwest Mexico to his seven nephews and four nieces of the Arellano Félix family, based in Tijuana, with direct access to the rich California market. Once enormously powerful and violent, the Tijuana operation has been weakened by the death or imprisonment of all the brothers and other key figures and may have lost its grip on Baja California.

In response to developments such as the death, imprisonment, or extradition of dominant figures, other organizations continue to arise to vie for power and wealth. One of the most successful of these is La Familia, based in the state of Michoacan and notorious both for horrendous attention-grabbing violence—for example, rolling heads of victims onto dance floors—and incongruous profession of a form of fundamentalist Christianity.

Smaller organizations exist, often forming alliances of conveniences with each other and the major cartels. These and internal rivalries within the larger organizations, as well as successful efforts by military and law enforcement agencies, make it difficult to sketch the situation with a sure hand. The rise of these smaller bands may be a temporary phase or it may signal the future situation, with more groups fighting over a market variously perceived as shrinking or limitless.

Chapter 4

The Role of Corruption[1]

It is crucial to recognize that these illegal operations, including a share of the violence, have occurred with the knowledge, permission, blessing, and even encouragement of the Mexican political establishment, from local police and mayors to the highest levels of the ruling party, which for 70 years after its birth in 1929 was the Partido Revolucionario Institucional (PRI). Like other institutions in Mexican society, the gangs operated in a patron-client or "elite-exploitative" relationship.[2] In return for being allowed to carry on their business without significant interference (or with overt assistance) from law enforcement personnel, the gang leaders were expected to pay what amounted to a franchise fee or tax on their earnings. The officials in question might simply accept a reasonable offer or, particularly at higher levels, make their expectations explicit. Precise arrangements and levels of officials involved have varied and accounts of these actions by historians, social scientists, and law enforcement agents differ on details, but there is little dispute regarding the overall pattern of thorough-going, institutionalized corruption. Luís Astorga, a sociologist at the Institute of Social Research of the National Autonomous University of Mexico and a premier authority on Mexican drug trafficking, summarized the situation well: "The state was the referee, and it imposed the rules of the game on the traffickers. The world of the politicians and the world of the traffickers contained and protected each other simultaneously."[3]

Widespread discontent with the corruption and anti-democratic ethos of the PRI led to the rise and growing strength of the conservative National Action Party (PAN) and a leftist Party of the Democratic Revolution (PRD), and also to pressures for reform within PRI itself. Ernesto Zedillo, president of Mexico from 1994 until 2000, attempted some reforms. A few crime figures went to prison during Zedillo's six years in office, but the cozy arrangement between the gangs and the government persisted.

PAN-member Vicente Fox, whose election in 2000 ended seven decades of PRI domination of the presidency, declared war on the cartels and sent federal police after them, resulting in the arrest of several high-profile drug trafficking figures but also in a sharp increase in violence as the gangs fought back, a harbinger of things to come.

> NOTE: All article links may be found in the online version of this report at www.bakerinstitute.org/PolicyReport45[4] .

[1] This content is available online at <http://cnx.org/content/m37107/1.1/>.

[2] Stanley A. Pimentel uses "elite-exploitative," which he attributes to Peter Lupsha, in "The Nexus of Organized Crime and Politics in Mexico," John Bailey and Roy Godson, *Organized Crime and Democratic Governability: Mexico and the US-Mexican Borderlands* (University of Pittsburgh Press, 2000) Chapter 2.

[3] Tracy Wilkinson, "In Sinaloa, the drug trade has infiltrated 'every corner of life,'" *Los Angeles Times*, December 28, 2008. Unless otherwise noted, all *Los Angeles Times* articles cited herein are part of an extensive and continuing reportorial series, "Mexico under siege—The drug war at our doorstep," and can be accessed by date at http://projects.latimes.com/mexico-drug-war/#/its-a-war.

[4] http://cnx.org/content/m37107/latest/www.bakerinstitute.org/PolicyReport45

Chapter 5

Criminal Enterprise[1]

Drug smugglers have proven to be resourceful, adaptable, practical, and persistent, choosing and inventing means to suit opportunity and thwart resistance. They have used airplanes, boats, and submarines, and sent people across the border with drugs stuffed into backpacks and luggage, strapped to their limbs and torsos, secreted in bodily cavities, and swallowed in balloons to be eliminated on reaching their destination. But by far the most common method of transshipment is by motor vehicle—cars, vans, buses, trains, and, predominantly, trucks specially outfitted for the task with secret panels and other measures to disguise the nature of their cargo. U.S. and Mexican anti-drug forces develop new methods of detection and increase the number of inspectors at the border, but the North American Free Trade Agreement (NAFTA) effectively guaranteed that such measures would have limited impact. According to U.S. Bureau of Transportation Statistics, 4.9 million trucks crossed the U.S.-Mexico border in 2008.[2] Smugglers are caught from time to time, but the sheer volume of traffic makes it impossible for inspectors to check more than a small sample of vehicles. News media periodically issue dramatic reports of record seizures of drugs, but supply on the street seldom seems affected for long and anti-drug agencies acknowledge that they have no reliable way of estimating the ratio of drugs seized to drugs available on the market.

Because marijuana is bulkier and smellier than other drugs in the trade, it is easier to detect. This, coupled with the fact that it is by far the most widely used of all illegal drugs and produces an estimated 50 percent of drug-related profits, has led the cartels to produce more of it in the United States, closer to its markets. They are known to operate "grows" in Kentucky and deep in national forests in California and the Pacific Northwest, where the overgrowth shields their plants from DEA surveillance planes.

Like other successful large enterprises, the cartels have branched into other fields of action such as kidnapping, extortion, prostitution, importing guns and other weapons, smuggling migrants, pirating CDs and DVDs, and investing in real estate and various businesses, some for the purpose of laundering proceeds from crime, some just to make money in a legitimate business.

They also spend money to win the admiration of their local communities and the wider populace. Snakeskin boots, gaudy jewelry, high-powered trucks and SUVs, and beautiful women create an image that young men with few hopes for meaningful legal employment want to emulate. Generous funding of roads, schools, medical centers, communication systems, even churches and chapels helps soften disapproval and fear of their violent ways, turning them into folk heroes in the eyes of many and generating a genre of music, called narcorridos, that glamorizes their exploits. In Culiacan, gift shops sell trinkets that reference the drug trade, and people throughout Mexico who are involved in that trade pay homage to Jesus Malverde, a folklore figure they regard as their patron saint, asking him to deliver them from evil in the form of their rivals in crime and their enemies in law enforcement. And when the young narcos die in battle, as thousands of them have, their friends and relatives bury many of them in elaborate tombs that celebrate their brief careers.

NOTE: All article links may be found in the online version of this report at

[1] This content is available online at <http://cnx.org/content/m37106/1.1/>.

[2] U.S. Department of Transportation, "2008-Border Crossing Data," news release, April 17, 2009.

www.bakerinstitute.org/PolicyReport45[3] .

[3] http://cnx.org/content/m37106/latest/www.bakerinstitute.org/PolicyReport45

Chapter 6

Carnage[1]

Like Prohibition-era gangs in the United States, the Mexican cartels have used violence to establish control over their turf and, when they sensed opportunity, to muscle in on the territory of others. Intra-gang turf wars and battles between cartels and Mexican government forces claimed nearly 25,000 lives between January 2006, when President Felipe Calderón declared, on his first day in office, his determination to oppose the cartels with the full force of his government, and August 2010.[2]

Calderón moved quickly to keep his promise, sending thousands of army troops—the number eventually rose to nearly 50,000—to areas known to be centers of cartel activity, reorganizing and upgrading the federal police, and setting out professional standards for state and local police. He can claim impressive results: arrests of thousands of suspects; seizures of tons of drugs with an estimated street value in the tens of billions of dollars;[3] and the extradition of several high-level drug traffickers, including Osiel Cárdenas. But the conflagration of violence that has accompanied Calderón's war on the cartels has disillusioned many Mexicans and sparked unwelcome talk of the possibility of Mexico's becoming a "failed state." The country does not meet accepted criteria for that status, but narco-cartels have superseded or seriously weakened legitimate government in a growing number of Mexican states.[4]

Most of the violence has been internecine, between cartels, factions therein, or opportunistic small gangs seeking to carve out a piece of the lucrative pie. Increasingly, the gangs use violence as a way to taunt and terrorize, beheading their victims, hanging their obviously tortured bodies in public places, dissolving their bodies in vats of lye, and posting videos of their grisly deeds on YouTube. In the summer of 2010, they raised the level of public fear even further by detonating a car bomb near a federal building in Ciudad Juárez[5] and by assassinating a candidate almost certain to become governor of Tamaulipas, the state that borders Texas from Brownsville to Laredo. Subsequently, gangs have slain several mayors and government forces have discovered mass graves containing dozens of bodies of people assumed to be gang victims. In earlier times, government forces could keep the violence in check. Today, using weapons smuggled in from the United States and other countries, the cartels have more firepower than local police and, sometimes, than the army, and are willing to use it to protect or enlarge their turf and assert their lack of fear of government forces. Predictably, this has significantly raised the death toll among both the police and the military, raising concern that Calderón underestimated the size and nature of the problem, that his policies have made things worse, and that the gangs might prevail throughout the country, as they already have in dozens of cities and

[1] This content is available online at <http://cnx.org/content/m37155/1.1/>.

[2] *Los Angeles Times*, "Mexico under siege," July 1, 2010. Based on data gathered by Mexican newspaper *Agencia Reforma*, with generally agreed upon additions to its figure of 22,700.

[3] 66,000 arrests, see "Mexico under siege," *Los Angeles Times*, July 13, 2009; $20 billion in drugs, *Los Angeles Times*, June 3, 2008.

[4] The Fund for Peace publishes an annual "Failed States Index," using 12 criteria. In its 2009 report, it places Mexico 98th in a list of 177 countries, ranked from most likely to least in danger of failing. Countries seen as more vulnerable include Egypt, Israel, Russia, and Venezuela.

[5] Car bomb in Ciuadad Juárez, see Tracy Wilkinson, "Mexico cartel kills four in car bombing," *Los Angeles Times*, July 17, 2010.

towns.

Moreover, corruption remains a terrible problem. Most observers agree that the several law enforcement agencies operating at the border are widely compromised. Throughout the country, local police, underpaid, under-trained, and under-equipped, are clearly still on the take. Honest cops run the risk of contempt from their coworkers or of being killed because of fear they will expose the crooked ones. Hundreds of police have been killed since the Calderón initiative began. Some no doubt conscientiously opposed the drug gangs; others, reportedly a majority, simply worked for the wrong gang. Even those thoroughly vetted for trustworthiness may succumb to temptation, or give in when a gang confronts them with the choice, plata o plomo—silver or lead, bribe or bullet.

The corruption extends far up the line. In 2008, at least 35 agents from an elite organized crime unit within the attorney general's office, including top officials ostensibly leading the crackdown against the cartels, were fired or arrested. According to news accounts, they had for

several years been receiving monthly payments ranging from $150,000 to $450,000 each, in return for keeping the cartels informed about government operations.[6] Payoffs of such size are apparently not unique; wiretaps used to bring indictments against members of the Gulf cartel caught discussions of bribes of $2 million.[7] In May 2009, guards at a Zacatecas prison offered no resistance as 53 inmates walked out and drove away in a 17-car convoy.[8] Later that same month, federal agents accused 10 mayors from the state of Michoacan of abetting La Familia drug traffickers.[9] In July 2010, prison officials in Durango were found to be sending prisoners, using official vehicles and armed with prison weapons, on designated assassination assignments.[10] At about the same time, 56 members of Tijuana law enforcement agencies were arrested for corruption, adding to more than 400 similar arrests or firings since January 2008. In May 2010, the mayor of Cancun was arrested on charges of aiding the Zetas and the Beltrán-Leyva gang.[11] No one imagines these are the final examples.

Those who criticize the gangs publicly, or attempt to expose the corruption that enables them, do so at their own peril. In April 2009, a Roman Catholic archbishop in Durango wondered publicly why the authorities seemed unable to locate Joaquin "El Chapo" Guzman, the most sought-after cartel figure in the country, since he was widely known to be living nearby. According to the Los Angeles Times, most local media did not report the explosive comments, and copies of national papers that ran the story appeared on few newsstands. A day or two later, the archbishop backpedaled, claiming that he was simply repeating things of the sort people say to their pastor.[12] As a further safety measure, he began traveling with bodyguards and ordered an armored car.[13] The timidity of the media in this case is common and understandable. Gangs have attacked newspaper offices and TV stations after they have published or aired stories attacking the cartels or exposing their ties to public officials. In March 2010, the National Human Rights Commission reported that at least 57 reporters had been killed over the past decade,[14] supporting claims by the international Committee to Protect Journalists that Mexico is "one of the deadliest countries in the world" for reporters. Many journalists exercise self-censorship, ignoring stories on drug trafficking and confining their reporting to "weddings, quinceañeras, and baptisms."[15] In a stunning admission of helplessness, El Diario, the largest daily newspaper in Ciudad Juárez, after two staffers had been murdered by drug gangs, ran a front-page editorial on September 19, 2010, asking cartel "Lords" to "explain to us what you want from us. What are we supposed to publish or not publish, so we know what to abide by. You are at this time the de facto

[6] $450,000 payoffs, see "Levels of Prohibition: A Toker's Guide," *The Economist*, March 15, 2009; "Mexico under siege," *Los Angeles Times*, October 28, 2008.

[7] $2 million, see "Mexico under siege," *Los Angeles Times*, July 21, 2009.

[8] Escape from Zacatecas prison, see "Mexico under siege," *Los Angeles Times*, July 13, 2009.

[9] Michoacan mayors, see "Mexico under siege," *Los Angeles Times*, May 29, 2009.

[10] Mark Stevenson, "Mexican drug cartel inmates let out of prison," *The Globe and Mail*, July 26, 2010.

[11] Ken Ellingwood, "Cancun mayor's arrest adds to Mexico worries," *Los Angeles Times*, May 27, 2010.

[12] Archbishop, "Mexico under siege," *Los Angeles Times*, April 4, 2009.

[13] Tracy Wilkinson and Ken Ellingwood, "In Mexico's drug battle, the public is missing in action," *Los Angeles Times*, December 30, 2009.

[14] 57 reporters killed, see Tracy Wilkinson, "Mexico crime reporters face deadly perils," *Los Angeles Times*, December 29, 2009.

[15] "Weddings," see "Mexico under siege," *Los Angeles Times*, June 11, 2008.

authorities in this city because the legal authorities have not been able to stop our colleagues from falling."[16]

Corruption, of course, is not the special province of Mexicans. As the U.S. Customs and Border Protection agency has stepped up hiring, it has had problems not only with agents who go bad while on the job but with some who are already in the employ of the cartels when they come to work.[17] And it would be naive to imagine that the dispersal of drugs across the United States does not receive assistance from law enforcement agents, lawyers, judges, bankers, and business owners willing to profit from their positions.

To complicate matters further, the army, which has been one of the most respected institutions in Mexican society, has come under increased scrutiny and criticism. Business owners claim that the presence of thousands of armed soldiers on the streets, sometimes storming into bars and restaurants to search everyone in the building, discourages tourism, a major component of the Mexican economy. Others report abuses that include illegal searches, arresting and detaining people without cause, beatings, theft, rape, and torture.[18] Observers also fear that sizable numbers of the troops will follow the example of Los Zetas and desert to the cartels.[19]

That fear is not groundless; in some cities, the Zetas have hung banners openly inviting the soldiers to join their ranks, offering "good wages, food and help for your family."[20] The Economist magazine quotes Guillermo Zepeda of CIDAC, a think tank in Mexico City, expressing the fear that "We may end up without trustworthy police and without a trustworthy army."[21] Some Mexican reports charge that "the army has pulled off a coup d'etat, morphing into its own terrorist, drug-money collecting, gun-wielding cartel—morphing into an enemy in uniformed disguise to terrorize physically and spiritually the Mexican citizenry."[22] In response to such criticism, Calderón replaced military troops in Ciudad Juárez with federal police in the spring of 2010, with little visible effect on either the level of violence or complaints of abuse from citizens.

These problems, coupled with concern over the tremendous financial cost of Calderón's war on drugs at a time when the Mexican economy is already weak, have led to increased doubt that the campaign will succeed. A March 2010 poll published in the daily Milenio newspaper reported that only 21 percent (down from 28 percent a year earlier) of the Mexican public think the government is winning its fight with the cartels.[23] That loss of confidence doubtless played some role in modest gains by the PRI in both the 2008 and 2010 elections. One observer with deep ties and personal experience in both the United States and Mexico compared the conflict among the cartels and between the cartels and the government to a sporting event. Spectators in both the government and the public may keep score as individual contests are won or lost and as teams move up or down in the standings, but regardless of the treasure expended and the damage done, drugs will still be desired, provided, and sold. And as long as societies and their governments treat drug use as a crime rather than as a matter of public health, the deadly game will continue, season after season.

NOTE: All article links may be found in the online version of this report at www.bakerinstitute.org/PolicyReport45[24] .

[16] Randal Archibold, "Mexico paper, a drug war victim, calls for a voice," *New York Times*, September 20, 2010.

[17] Randal C. Archibold, "Hired by customs, but working for Mexican cartels," *New York Times*, December 17, 2009.

[18] Army abuses, see "Report to InterAmerican Commission on Human Rights in Washington," *Los Angeles Times*, March 29, 2008. See also "Mexico under siege," *Los Angeles Times*, July 13, 2009. Also, Amnesty International report, see Tracy Wilkinson, "Rights group faults Mexico over alleged army abuse," *Los Angeles Times*, December 9, 2009.

[19] Frank Koughan, "U.S. Trained Death Squads?" *Mother Jones*, July-August 2009.

[20] "Good wages," see "Mexico under siege," *Los Angeles Times*, June 3, 2008.

[21] Zepeda, "A Toker's Guide," *The Economist*, March 5, 2009.

[22] Army coup d'etat, see "Is the Mexican army the biggest cartel of all?" *The Seminal*, August 10, 2009; Cf. Charles Bowden, "We Bring Fear," *Mother Jones*, July 2009.

[23] Roderic Ai Camp, "Drugs, guns and money: A violent struggle across the border," *San Diego Tribune*, March 15, 2009; 2009 Milenio Poll, see Ken Ellingwood, "12 slain in Mexico were federal police officers," *Los Angeles Times*, July 15, 2009.

[24] http://cnx.org/content/m37155/latest/www.bakerinstitute.org/PolicyReport45

Chapter 7

Cooperation[1]

In keeping with its long-standing confidence in the efficacy of force, the United States has endorsed and supported President Calderón's strategy. The United States has had anti-drug agents in Mexico since the 1920s, not always with Mexico's approval and usually limiting their activities to intelligence gathering. Since the 1970s, however, the DEA has been an active partner in Mexico's anti-drug programs. Its efforts to foster the development of a professional Mexican counterpart to itself have been largely unsuccessful thus far, but DEA agents have shared intelligence with Mexican agencies and helped develop and carry out programs of eradication of marijuana and opium, seizure of contraband bound for the United States, arrest and conviction of drug traffickers by Mexican authorities, and disruption of money-laundering operations. These cooperative efforts were able to register important victories, but the production and transshipment of drugs obviously did not cease. The United States has also provided financial assistance to Mexico's anti-drug efforts through the State Department's International Narcotics Control and Law Enforcement account.[2]

In November 2006, after meeting with President-elect Calderón, who had announced he intended to launch a major offensive against the cartels, President George W. Bush pledged to support those efforts with a significant increase in U.S. assistance. Originally called the Joint Strategy to Combat Organized Crime, the package became known as the Merida Initiative and authorized $1.6 billion, to be disbursed over three years starting in 2007, to pay for military and law enforcement equipment, technical and tactical training, upgrading of intelligence capability, hardware such as helicopters and surveillance aircraft, and special equipment to detect drugs at border crossings.

Calderón reciprocated by giving the United States something it had long sought: extradition of drug traffickers to the United States, where they can be tried in U.S. courts and locked away in prisons from which they will be less likely to escape and that offer little freedom to direct their cartels by remote control. By 2010 more than 200 Mexican drug traffickers had been extradited to the United States under this arrangement. Few were real kingpins, but even lesser figures have provided valuable information. For example, in August 2009, a communications expert for the Gulf cartel described the existence of a handheld radio system that allowed gang members to communicate with each other outside cellular and landline telephone networks via a sophisticated network of radio towers and antennas stretching from the Rio Grande to Guatemala.[3] More important revelations may be in the offing. In February 2010, in a closed trial before a federal judge, Osiel Cárdenas was sentenced to 25 years in federal prison and forfeiture of $50 million. Early accounts described his sentence as "without parole," but the Federal Bureau of Prisons website indicates that he is serving his time in a medium-security prison in Atlanta, with a projected release date of November 1, 2028. To receive such a relatively lenient sentence, given the enormity of his crimes, Cárdenas must have offered significant valuable information about cartel operations.[4] In late August 2010, Mexican federal police arrested Edgar

[1] This content is available online at <http://cnx.org/content/m37156/1.1/>.

[2] Colleen W. Cook, "Mexico's Drug Cartels" (CRS report for Congress, October 16, 2007).

[3] Cartel communications system, see Dane Schiller and Susan Carroll, "Former Gulf cartel insider spills his high-tech secrets," *Houston Chronicle*, August 8, 2009.

[4] Cárdenas trial, see U.S. Department of Justice, "Cárdenas-Guillen sentenced to 25 years' imprisonment," news release,

"La Barbie" Valdez Villareal, a Texas-born figure who had once worked with "El Chapo" Guzman and was more recently engaged in a violent struggle to gain control of what was left of the Beltrán–Leyva gang. George W. Grayson, a Mexico specialist at the College of William & Mary, observed that capturing Valdez could lead to an intelligence bonanza if he is extradited—"If the feds can get him to the United States, he might sing like a canary. He knows so much about the cartel network in Mexico."[5]

President Barack Obama signed on to the Merida Initiative, viewing the widespread continuation of drug-related violence as a threat to both nations. In April 2009, new Homeland

Security Secretary Janet Napolitano announced she would be sending hundreds more federal agents and other personnel to border areas, with a dual goal of helping President Calderón crack down on the cartels and preventing the violence from spilling across the border into the United States.[6]

The combined efforts of U.S. and Mexican forces have had some impressive results: thousands of traffickers arrested, dozens of important crime figures indicted, tens of millions in illegal assets seized, thousands of tons of illicit drugs captured, millions of marijuana plants eradicated in both countries, and numerous clandestine drug labs discovered and dismantled. And yet, though prices and quality levels may vary over the short run, as do levels of use of given drugs, over the long run usage rates remain rather stable and users appear to have little trouble obtaining their drugs. Similarly, President Calderón's aggressive program has clearly had an effect on the cartels, weakening some and putting all on the defensive, but the cartels have shown a remarkable ability to adapt to adversity, and the level of violence has soared beyond all experience or expectation, with no end in sight. The result, as University of Texas-El Paso professor Tony Payan aptly notes, is that "The border bears the cost of a war that cannot be won."[7]

What appear to be victories in the War on Drugs repeatedly create what veteran observers call the Balloon Effect—squeeze it in one place and it bulges up in another. The eradication of marijuana, coca, and opium crops in one region has repeatedly shifted cultivation to other areas, just as success in choking off their Florida and Caribbean supply routes led the Colombia cartels to shift their operations to Mexico. Similarly, recent successes of U.S./Mexican anti-drug efforts appear to have stimulated the marijuana trade across the U.S./Canadian border and to have led the Colombians and the Mexican cartels to pay more attention to a growing drug market in Europe.

Clearly, a key factor in this discouraging process is the truly enormous amount of money that can be made by dealing drugs, especially by those in charge of the dealing. The money enables the cartels to recruit whatever personnel they need, whether it be drivers and pilots, accountants and lawyers, computer and communications experts, or assassins and bodyguards, and to equip them with whatever they need to ply their trade. Of course, it also makes possible the corruption of law enforcement, political, and financial systems on both sides of the border, more extensive in Mexico but also significant in the United States. And some observers assert that this influx of money, much of which is pumped into the legal economy, has caused many Mexicans, especially those living far away from the border states where most of the violence has occurred, to view the cartels as less threatening to their lives than the government's efforts to eradicate them.

It has long been obvious that the great bulk of that money comes from buyers in the United States, but only recently have Mexicans and other Latin Americans begun to insist that the United States acknowledge this fact and take sweeping steps to deal with its implications. In the process, they have begun to urge the United States to reconsider its adamant insistence on prohibition of the drugs in question. President Calderón has challenged the United States to take stock of its own failings, especially with regard to drug consumption and laws that facilitate the trafficking in guns and other weapons that have strengthened the cartels in their struggle with the federal police and the army.[8] Even more significantly, the former presidents of Mexico (Ernesto Zedillo), Colombia (César Gaviria), and Brazil (Fernando Enrique Cardoso) co-chaired

February 24, 2010.

[5]Grayson, quoted in Ken Ellingwood, "Mexico's capture of accused drug lord may yield inside cartel information," *Los Angeles Times*, September 1, 2010.

[6]Napolitano, "Mexico under siege," *Los Angeles Times*, April 23, 2009.

[7]Payan, Tony, "The Drug War and the U.S.-Mexico Border: The State of Affairs," *South Atlantic Quarterly* 105, no. 4 (Fall 2006) 13.

[8]Calderón, "Mexico under siege," *Los Angeles Times*, March 26, 2009.

a blue-ribbon Latin American commission whose 2009 report, Drugs and Democracy: Toward a

Paradigm Shift, explicitly called on the United States to acknowledge that its decades-long War on Drugs had failed and to give serious consideration to "diverse alternatives to the prohibitionist strategy that are being tested in different countries, focusing on the reduction of individual and social harm."[9]

This message has been received. In her first visit to Mexico as secretary of state, in 2009, Hillary Clinton acknowledged that the "insatiable demand for illegal drugs [in the United States] fuels the drug trade."[10] Similarly, the newly appointed director of the U.S. Office of National Drug Control Policy, Gil Kerlikowske, has announced that he no longer wants to be known as the "Drug Czar" and is abandoning the rhetoric of a War on Drugs in favor of greater emphasis on prevention and treatment. In addition, authorities at the local, state, and national levels are calling for a comprehensive and open-minded examination of alternatives to drug policies notable for repeated failure.

It is difficult to predict the course of the current struggle wracking the border cities and other locales deeper within Mexico. The Calderón government, encouraged and supported by the United States, may inflict such damage on the cartels that they will settle into a role similar to that of organized crime in the United States—a significant and chronic problem but not a generalized threat to security or to democracy and the rule of law. In his September 2010 Informe, a report similar to U.S. presidents' State of the Union address, Calderón forcefully asserted that this approach was paying off, citing arrests and killings of major gangsters and improvements in law enforcement and judicial agencies. Unfortunately, sustained improvement is not likely to occur without much more bloodshed and financial drain, and may not be obtainable even then. Indeed, Secretary Clinton angered the Calderón government by suggesting that the situation in Mexico was beginning to resemble an insurgency of the sort that wracked Colombia 20 years earlier. President Obama quickly softened that assessment by asserting his continued confidence in and support of the Calderón administration. Various analysts noted that the comparison was inapt, since the insurgents in Colombia wanted to control the government, whereas the cartels in Mexico simply want the government to leave them alone. Still, it is clear that U.S. leaders are keenly aware of the gravity of the situation.

An alternative scenario, in which the government pulls back in admission of defeat, would be a blow to the rule of law, but is not impossible to contemplate. Indeed, Jorge Castañeda, Mexican foreign minister under President Vicente Fox, contending that Calderón's stated reasons for starting the anti-cartel initiative were specious, has called for an informal accommodation in which the government relaxes its opposition to the cartels in return for a significant reduction in violence.[11] Castañeda's critics argue that such a stance would undermine public confidence in the rule of law if cartels were given tacit permission to operate.[12] Even the most optimistic of observers appear to believe that eventual success lies years in the future and will come only with great effort and cost. In light of these circumstances, the following recommendations are offered with justifiable humility.

NOTE: All article links may be found in the online version of this report at www.bakerinstitute.org/PolicyReport45[13] .

[9] Latin American Commission, "Drugs and Democracy: Toward a Paradigm Shift," (statement by the Latin American Commission on Drugs and Democracy, Open Society Institute, February 2009) 12.

[10] U.S. "insatiable demand," see Mark Landler, "Clinton says U.S. feeds Mexico drug trade," *New York Times*, March 25, 2009.

[11] Castaneda's suggestions, see Jorge Castaneda, "What's Spanish for Quagmire: Five Myths That Caused the Failed War Next Door," *Foreign Policy*, January-February 2010.

[12] Accommodation would undercut confidence in rule of law. See, for example, Bonner, "The New Cocaine Cowboys," *Foreign Affairs*, July-August 2010, 47.

[13] http://cnx.org/content/m37156/latest/www.bakerinstitute.org/PolicyReport45

Chapter 8

Recommendations[1]

Because at least the major cartels have developed into full-scale criminal organizations, the Mexican government has little choice but to attempt to check their power and the damage they cause. Aggressive action by the Calderón government, advisable or not, has obviously exacerbated the violence. Insofar as possible, actions against criminals should be waged by the police rather than the army, perhaps focusing on one major cartel at a time or concentrating efforts on a single city—with Ciudad Juárez the obvious choice—to develop and implement a strategy that could be replicated in other places.[2] President Calderón's use of the army and navy is understandable, given their numbers, advanced weaponry, and reputation as less corrupted institutions, but the costs of that decision are high and becoming clearer. The Mexican government should work to shift from a mindset of war to one of crime fighting and to reduce the role of the military, while strengthening that of the police. Obviously, that process will be gradual and dependent on the success of the following recommendations.

Given the role of corruption in the production and trafficking of drugs, Mexico must continue to build and reinforce professional civil service, law enforcement, and judicial systems, from local to federal levels, with effective measures to prevent, identify, check, prosecute, and punish corruption and violation of the rights of citizens. This will involve improvement in pay, higher educational requirements, vigilant screening, and continuing reinforcement of appropriate values and attitudes. Obviously, this is a mammoth and daunting task. The United States can offer assistance, technical and financial, but most of this work will have to be done by Mexicans.

Both countries must work to improve educational and employment opportunities, so that young people in particular do not turn to drugs and crime because they have abandoned hope of achieving a meaningful life by legal means. In connection with a March 2010 visit to Mexico City by Secretary of State Hillary Clinton, accompanied by Secretary Napolitano, Defense Secretary Robert Gates, Joint Chiefs of Staff Chairman Admiral Michael Mullen, and DEA Acting Administrator Michele Leonhart, the United States and Mexico announced that their joint ongoing efforts would focus less on military measures and more on precisely these two lines of action.[3]

Both countries, in dialogue with other nations in the hemisphere, in Europe, and elsewhere, should examine the drug policies and programs of other countries to consider viable alternatives to a policy of strict prohibition. A growing number of countries, or states within them, including 13 states in the United States, have adopted such policies, either officially or de facto. Usage rates have generally remained stable, without an increase in problems popularly associated with the drugs in question. Equally notable, the quite high usage rates in the United States persist despite some of the harshest penalties in the world. Looking with an open mind at various systems should help dispel the fear that any change to current policies will lead to catastrophe.

[1] This content is available online at <http://cnx.org/content/m37158/1.1/>.

[2] Perhaps attack one cartel at a time. For elaboration of this idea, see Bonner, "The New Cocaine Cowboys," 43f.

[3] Hillary Clinton's 2010 visit, see Ken Ellingwood, "U.S. pledges more help in Mexico drug war," *Los Angeles Times*, March 23, 2010.

The United States should legalize marijuana and decriminalize possession of most other now-illicit drugs. Although it would be politically easier to remove or reduce the penalties

for possession of modest amounts of marijuana, if it remains illegal to grow or buy it, the money is still going to go into the hands of outlaws, with most of it going to the cartels in Mexico. A system of legal production and sales, regulated and taxed in a manner similar to alcohol and tobacco, would dam that river of cash to murderous criminals, reduce the ability of the cartels to corrupt government on both sides of the border, and, in the process, provide a major source of funds to pay for drug education and treatment. Perhaps the most common objection to a proposal of legalization is that it will lead to increased use of harder drugs. The fear is understandable but not supported by evidence, and prohibition clearly plays a role in whatever validity this "gateway" theory has, since the ban on legal sales of marijuana drives users to dealers who may offer them other and more profitable drugs.

Both countries should commit to widespread adoption of an approach known as "harm reduction," which accepts the fact that "drug-free" societies do not exist and policies based on utopian notions of "zero tolerance" inevitably fail. Instead, this approach focuses on reducing the negative consequences of both drug abuse and drug policy. Examples of harm-reduction measures that have proven to be effective include the following:

Providing injecting drug users with sterile syringes, to reduce the spread of blood-borne diseases such as HIV/AIDS and hepatitis C and offer access to treatment.

Providing heroin addicts with uncontaminated heroin or a synthetic opioid such as methadone, to enable them to stop committing crimes to support their habit, to obtain productive work, and to stabilize their lives in other ways.

Both countries need to place much greater emphasis on treatment of problem drug users. As is true with alcohol, a minority of heavy users consumes a preponderance of illicit drugs; a common estimate is that 20 percent of users account for 80 percent of consumption. Getting hard-core users to reduce or eliminate their consumption is a highly efficient and economical means of reducing drug harms. In a landmark comparison of the major means of controlling cocaine use in a number of countries, a RAND Corporation study determined that "treatment is seven times more cost effective than domestic law enforcement method, 10 times more effective than interdiction, and 23 times more effective than ... source control method[s]" such as eradication.[4] In other words, every dollar or peso spent on treating someone already using drugs will have a much greater impact on the number of users, the amount of drugs used, and the overall cost to society than spending that money on eradication, interdiction, and incarceration.

Both countries should encourage and fund realistic drug education that deals honestly with available empirical data rather than either exaggerating or minimizing the harms of individual drugs, which vary greatly in their effects and dangers. Such education should give sustained attention to tobacco and alcohol, the world's two most deadly addictive drugs and the true gateway to use of both marijuana and harder drugs. It should also emphasize the risks of non-medicinal use of prescription drugs, now more widely used in the United States than any of the illegal drugs.

None of these recommendations is remarkable or original. They do, however, offer alternatives to policies that have proved demonstrably ineffective. The "justifiable humility" noted above is real. The expectation that the governments of the United States and Mexico will act on these recommendations is modest. The hope that they will be taken seriously is profound.

NOTE: All article links may be found in the online version of this report at www.bakerinstitute.org/PolicyReport45[5] .

[4] The quotation, slightly altered, is from a PBS Frontline website and is based on C. Peter Rydell and Susan S. Everingham, Controlling Cocaine: Supply Versus Demand Programs, RAND 1994, p. xvi. For the study itself, see http://www.rand.org/pubs/monograph_reports/MR331/.

[5] http://cnx.org/content/m37158/latest/

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B Baker Institute for Public Policy, § 1(1)
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C Carnage, § 2(3), § 3(5), § 4(7), § 5(9), § 6(11), § 7(15), § 8(19)
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Cartels, Corruption, Carnage, and Cooperation

This report is the work of the James A. Baker III Institute for Public Policy's Drug Policy Program, led by William Martin, Ph.D., the institute's Harry and Hazel Chavanne Senior Fellow in Religion and Public Policy. In addition to the sources listed in this paper, along with many other published books and articles, this report has benefited greatly from continuing dialogue with Professor José Luis Garcia Aguilar at the University of Monterrey, and with retired DEA intelligence chief Gary J. Hale, now head of the Grupo Savant think tank, and from interviews, mostly on condition of anonymity, with present and former agents of the DEA, the National Drug Intelligence Center, the FBI, and the Border Patrol. These are referred to in the paper as "observers" or "sources." The program has recordings of all of these interviews.

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