



Mexico's Drug-Related Violence

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Summary

Drug-related violence in Mexico has spiked in recent years as drug trafficking organizations (DTOs) have competed for control of smuggling routes into the United States. Drug trafficking issues are prominent in Mexico because the country has for at least four decades been among the most important producers and suppliers of heroin, marijuana and (later) methamphetamine to the U.S. market. Today it is the leading source of all three drugs and is now the leading transit country for cocaine coming from South America to the United States. Although previous Mexican governments had accommodated some drug trafficking in the country, when President Felipe Calderón came into office in December 2006 he made battling the Mexican drug trafficking organizations a top priority. He has raised spending on security and sent thousands of troops and federal police to combat the DTOs in states along the U.S.-Mexico border and throughout the country. In response to the government's crackdown, the DTOs have responded with escalating violence.

In recent years, drug trafficking violence in Mexico has claimed thousands of lives and reached a level of intensity and ferocity that has exceeded previous periods of drug-related violence. The government's intensified campaign against the DTOs resulted in changes in the structure of these criminal organizations. The seven major DTOs in Mexico have reconfigured. The fracturing of some of the most powerful drug trafficking syndicates and the reemergence of once powerful DTOs have led to bloody conflict within and among the DTOs. Today a small number of DTOs control the lucrative drug trafficking corridors through which drugs flow north from Mexico into the United States and high-powered firearms and cash flow south fueling the narcotics trade.

President Calderón has demonstrated what has been characterized as an unprecedented willingness to cooperate with the United States on counterdrug measures. In October 2007, both countries announced the Mérida Initiative to combat drug trafficking, gangs and organized crime in Mexico and Central America. To date, the U.S. Congress has appropriated a total of \$700 million for Mexico under the Mérida Initiative. The program, which combines counternarcotics equipment and training with rule of law and justice reform efforts, is still in its initial stages of implementation.

The scope of the drug violence and its location—much of it in northern Mexico near the U.S.-Mexico border—has been the subject of intense interest in Congress. The 111th Congress has held more than a dozen hearings dealing with the increased violence in Mexico as well as U.S. foreign assistance and border security efforts. This report examines the causes for the escalation of the violence in Mexico. It provides a brief overview of Mexico's counterdrug efforts, a description of the major DTOs, the causes and trends in the violence, the Calderón government's efforts to crackdown on the DTOs, and the objectives and implementation of the Mérida Initiative as a response to the violence in Mexico. For related information about Mexico and the Mérida Initiative, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, and CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*. For more information on international drug policy, see CRS Report RL34543, *International Drug Control Policy*. This report will be updated as events warrant.

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Drug Trafficking in Mexico

Today Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for cocaine sold in the United States. According to the Department of State's 2009 *International Narcotics Control Strategy Report*, as much as 90% of the cocaine entering the United States now transits through Mexico. A small number of Mexican DTOs control the most significant drug distribution operations along the Southwest border. The criminal activities of these Mexican DTOs reach well beyond the towns and cities of the border, extending along drug trafficking routes into cities across the United States. The Mexican DTOs have exhibited many characteristics of organized crime such as being organized in distinct cells and controlling subordinate cells that operate throughout the United States.¹

In the U.S. Justice Department's *National Drug Threat Assessment 2009* (published in December 2008), Mexican drug trafficking organizations were identified as the greatest drug trafficking threat to the United States worldwide. Today's situation arose with the closing of the Caribbean route through which drugs, and particularly cocaine from Colombia, was channeled to the United States in an earlier era. With increased U.S. efforts to interdict narcotic smugglers in the Caribbean and Florida in the late 1980s and 1990s, the Colombian drug cartels began subcontracting with Mexican DTOs to smuggle cocaine into the United States across the Southwest border. By the late 1990s, Mexican DTOs had pushed aside the Colombians and gained greater control and market share of cocaine trafficking into the United States. Mexican DTOs now dominate the wholesale illicit market in the United States.²

The Mexican DTOs, often referred to as "drug cartels,"³ have become increasingly violent. The *National Drug Threat Assessment* states that Mexico's DTOs now "control most of the U.S. drug market," with distribution capabilities in 230 U.S. cities. Mexican President Felipe Calderón began his assault on organized crime shortly after he took office in December 2006 and made combating the DTOs a centerpiece of his policy. The Calderón government has devoted billions of dollars⁴ to the offensive against Mexico's entrenched drug trafficking organizations, and deployed 45,000 soldiers and thousands of federal police in nearly a dozen of Mexico's states in the fight.⁵

More than 5,600 people died in drug trafficking violence in Mexico in 2008, more than double the prior year. This escalation in the level of violence was matched by a growing ferocity.

¹ CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

² For more information on the history of the drug cartels in Mexico, see CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

³ The term drug cartel remains the 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 Mexican drug cartels are setting illicit drug prices.

⁴ It is unclear precisely how much the Calderón government spends on security. Estimates of \$9 - \$11 billion have been reported. See "On the trail of the traffickers," *The Economist*, March 7, 2009. The \$11 billion figure (a cumulative figure since the beginning of the Calderón administration) was provided in remarks of Manuel Suárez-Mier, Legal Attaché, Embassy of Mexico at "Transnational Criminal Organizations in the Americas: Responding to the Growing Threat," A Colloquium at The George Washington University on January 29, 2009. Another article cites the Mexican government as its source for 2009 spending levels: "This year, the Mexican government will spend \$9.3 billion on national security, a 99 percent increase since Calderón took office." See, Steve Fainaru and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

⁵ "Mexico: More Bloodshed," Economist Intelligence Unit - Business Latin America, January 12, 2009; Steve Fainaru and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

Beginning in early 2008, there was an increase in assassinations of high-level law enforcement officials, gruesome murders including beheadings, violent kidnappings, use of a growing and varied arsenal of high-powered weapons, and one incidence of indiscriminate killing of civilians.⁶ The battle for control of the multi-billion dollar drug trade has been—and continues to be—brutal. While the U.S. and Mexican media began to shift their attention away from the sensational crimes allegedly committed by the Mexican DTOs in late spring, the high numbers of killings have continued, exceeding an estimated 2,000 thus far in 2009.

Background on Mexico's Anti-drug Efforts

For many years, the export of illegal narcotics to the United States, which shares a nearly 2,000-mile border with Mexico, was tolerated by the Mexican government. The Mexican government pursued an overall policy of accommodation, according to numerous accounts.⁷ Under this system, arrests and eradication took place, but due to the effects of widespread corruption, the system was “characterized by a working relationship between Mexican authorities and drug lords” through the 1990s.⁸

In the 1980s and 1990s, U.S.-Mexico counternarcotics efforts were often marked by mistrust. Beginning in 1986, when the U.S. President was required to certify whether drug producing and drug transit countries were cooperating fully with the United States, Mexico usually was criticized for its efforts leading to increased Mexican government criticism of the U.S. assessment. Reforms to the U.S. drug certification process enacted in September 2002 (P.L. 107-228) essentially eliminated the annual drug certification requirement, and instead required the President to designate and withhold assistance from countries that had “failed demonstrably” to make substantial counternarcotics efforts.⁹ In the aftermath of these reforms, U.S. bilateral cooperation with Mexico on counternarcotics efforts improved considerably during the administration of Vicente Fox (2000-2006), and combating DTOs has become a priority of the current Calderón administration.

The election of President Fox in 2000 ended 71 years of one-party rule in Mexico by the Institutional Revolutionary Party (PRI), shifting Mexico toward a more democratic political system. Fox, of the conservative National Action Party (PAN) believed that a more democratic regime could lower internal security spending, a policy he pursued during his term in office.¹⁰ Some critics argue the Fox administration's lack of steady focus on the drug problem led to “lost years” in the battle against the DTOs. Others point to more effective antidrug policies that began under Fox to build the institutional capacity for an effective counterdrug strategy. Under President

⁶ A grenade attack in Morelia, Michoacan, on Mexico's Independence Day in September 2008, which took place in a crowded public square and resulted in eight deaths and more than 100 injured, was allegedly the work of the Mexican DTOs. See Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*, December 11, 2008. Other acts that seem to be an effort to establish a signature of violence such as placing victims' severed heads or tortured bodies in public places or leaving threatening signs on or near victims' bodies have proliferated since early 2008.

⁷ Francisco E. González, “Mexico's Drug Wars Get Brutal,” *Current History*, February 2009; Steven B. Duke, “Drugs: To Legalize or Not,” *Wall Street Journal*, April 25, 2009; George W. Grayson, *Mexico's Struggle with 'Drugs' and 'Thugs'*, Foreign Policy Association, Headline Series No. 331, New York, NY, Winter 2009.

⁸ Francisco E. González, “Mexico's Drug Wars Get Brutal,” *Current History*, February 2009.

⁹ See CRS Report 98-174, *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2002*, by K. Larry Storrs.

¹⁰ Jane's Information Group, “Security-Mexico,” February 20, 2009.

Fox, the federal police force was purged and reorganized and a more aggressive approach was taken in fighting the DTOs including more arrests, increased seizures of drug shipments and the extradition of major drug kingpins to the United States. These counternarcotics successes, however, led to a wave of violence as arrests of DTO leaders resulted in bloody turf battles over territory, resources and manpower.¹¹

When President Felipe Calderón, (also of the center-right PAN party), won office in December 2006 with a very narrow victory, he made combating the drug cartels a top priority.¹² He called the increased drug violence a threat to the Mexican state and sent thousands of soldiers and federal police to combat cartels in drug trafficking “hot spots.” Soldiers and federal law enforcement officials have been tasked with arresting traffickers, establishing check points, burning marijuana and opium fields, and interdicting drug shipments along the Mexican coasts. Many have lauded President Calderón’s determination to make battling the DTOs and the pervasive corruption they engender as a hallmark of his new administration.

In 2008, the government’s crackdown, and rivalries and turf wars among Mexico’s DTOs, fueled an escalation in violence throughout the country, including in northern Mexico near the U.S.-Mexico border. In an effort to control the most lucrative drug smuggling routes in Mexico, rival DTOs have been launching attacks on each other, as well as on Mexican military and police. The violence, as described in more detail below, has continued in 2009 and is posing a serious challenge for Mexico’s security forces. Since coming into office in December 2006, President Calderón has deployed some 45,000 troops and 5,000 federal police along the U.S.-Mexico border and throughout the country’s interior.¹³ Over that time, approximately 10,000 people have been killed in the violence.¹⁴ (For a detailed map of the drug killings since 2007 and other data about the drug war in Mexico, see graphic in the *Washington Post* at <http://www.washingtonpost.com/wp-dyn/content/graphic/2009/04/01/GR2009040103531.html>).

Major DTOs in Mexico¹⁵

The major DTOs in Mexico are all polydrug operations (handling methamphetamine, marijuana, cocaine and heroin). **Figure 1** shows the approximate areas of influence of the major Mexican DTOs as of May 2009.¹⁶ The recent heightened violence suggests there has been a realignment of control of national markets and transport routes. The seven major cartels that once controlled

¹¹ Francisco González writes: “...the capture of some cartel leaders was tantamount to kicking hornets’ nests without having the means to spray the rattled insects.”

¹² “Fighting Back—Mexico Declares War on Drug Cartels,” *Jane’s Intelligence Review*, April 1, 2007.

¹³ Vanda Felbab-Brown, *The Violent Drug Market in Mexico and Lessons from Colombia*, The Brookings Institution, Policy Paper, No. 12, Washington, DC, March 2009.

¹⁴ Steve Fainaru and William Booth, “As Mexico Battles Cartels, The Army Becomes the Law,” *Washington Post*, April 2, 2009. Note reliable statistics on cartel killings remain illusive, with newspapers and other media organizations in Mexico compiling statistics generally considered to be reflective of the overall situation.

¹⁵ This overview of Mexico’s major drug cartels draws extensively from Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*, December 11, 2008 and Jane’s Information Group, “Security-Mexico,” February 20, 2009. For background on the cartels, see CRS Report RL34215, *Mexico’s Drug Cartels*, by Colleen W. Cook; “Mexico-U.S.: The Drug Wars- Dissecting the threat perceived in Washington,” *Latin News: Security & Strategic Review*, January 2009.

¹⁶ The regions of control shown in **Figure 1** are more fluid than indicated because of the continually changing alliances in this multi-sided conflict.

Mexico have reconfigured. The major criminal organizations that now are reported to dominate the market are described below:

Sinaloa Federation and Cartel—By 2008, a federation dominated by the Sinaloa cartel (which included the Beltrán Leyva Organization and the Carillo Fuentes or Juárez cartel) broke apart. The federation reportedly had controlled a majority of the cocaine passing through Mexico to the United States.¹⁷ The Sinaloa cartel itself remains strong and effective in smuggling cocaine from South America to the United States, but it has lost control of territory in Mexico to its competitors as the result of the inter-cartel battles during 2008. It is headed by Joaquin “El Chapo” Guzman, probably the most wanted drug smuggler in Mexico.¹⁸

Gulf Cartel—A year ago, the Gulf cartel was considered the most powerful DTO in Mexico, but it has been a steady target of the government campaign and now it is “an open question... whether the cartel is intact.”¹⁹ The cartel’s headquarters is the northeastern Mexican state of Tamaulipas. The suspected leader of the cartel, Osiel Cardenas Guillen, was arrested in 2003. However, he was not extradited to the United States until 2007. The Gulf cartel no longer controls Los Zetas, formerly their paramilitary enforcement arm. The relationship today between the Gulf cartel and Los Zetas remains unclear though it is likely they still cooperate.²⁰

Beltrán Leyva Organization—Until last year, this syndicate was a part of the Sinaloa federation. As part of the Sinaloa federation, it controlled access to the U.S. border in Sonora state. It has become independent of the Sinaloa federation and has grown to be one of the most powerful drug trafficking organizations in Mexico, still controlling large areas of the country. It is believed to be responsible for the May 2008, assassination of acting federal police director Edgar Millán Gomez in Mexico City, and has gone after other high-ranking government officials. This organization has quickly secured narcotics transport routes in the states of Sinaloa, Durango, Sonora, Jalisco, Michoacan, Guerrero and Morelos. Their attempt to take territory from their former Sinaloa partners reportedly unleashed a wave of violence.

Arrellano Felix Organization/Tijuana Cartel—This syndicate, once one of the two most powerful DTOs,²¹ was weakened significantly in 2008 by both U.S. and Mexican law enforcement efforts to capture their highest ranking leadership. The arrest of Eduardo “El Doctor” Arrellano Felix, in October 2008, the last of the Arrellano brothers to be captured or killed, was symbolic of its demise. This cartel split into two groups whose conflict for dominance led to extensive violence in the Tijuana area.

Vicente Carillo Fuentes Organization/Juárez Cartel—This organization is based in Ciudad Juárez in Chihuahua state, across the border from El Paso, Texas. It operates in much of northern Chihuahua state and part of Nuevo Leon and Sonora states. Over the past year there has been an ongoing violent battle between Sinaloa (their former partner) and this cartel for control of

¹⁷ Jane’s Information Group, “Security-Mexico,” February 20, 2009.

¹⁸ “Mexico drug violence rises on border despite army,” *Reuters News*, May 11, 2009.

¹⁹ Stratfor, Mexican Drug Cartels: Government Progress and Growing Violence. December 11, 2008.

²⁰ *Ibid.*

²¹ Jane’s Information Group, “Security-Mexico,” February 20, 2009. The article notes: “In the late 1990s and early 2000s, the two dominant organizations were the Juárez cartel, based in the Texas border city of Ciudad Juárez, and its principal rival the Tijuana cartel, based in the California border city of Tijuana.”

Juárez.²² The Juárez cartel has a longstanding alliance with the Beltrán Leyva Organization. Some analysts fear that this once very powerful cartel will again grow in power after splitting from Sinaloa.

Los Zetas—This group of former military counternarcotics commandos,²³ known for its violence and effective use of tactics and weaponry, has grown in power even though it lost Daniel Perez Rojas. He was arrested in Guatemala this past year and was allegedly the leader of the group's activities in Central America. Los Zetas, since their split with the Gulf cartel, have contracted themselves to a variety of drug trafficking organizations throughout the country, notably the Beltrán Leyva Organization. The Zetas who formed as fearsome enforcers for the Gulf cartel have gained power under suspected Zeta leader Heriberto Lazcano. In 2009, U.S. authorities have come to believe this organization may be operating as an independent DTO.²⁴

Los Zetas quickly established a reputation as one of the most violent enforcer gangs with military-level expertise in intelligence, weaponry and operational tactics. Some argue that the escalation in violence in 2007 and 2008 can be traced in part to them.²⁵ They have also brazenly engaged directly with the Mexican military in firefights. A previous period of intense Zeta-led violence was “the cross-border killing spree engaged in by Gulf cartel Zeta operatives in the Laredo-Nuevo Laredo area during 2004-2005” according to DEA Special Agent Joseph M. Arabit.²⁶ This precedent for the current “epidemic” of DTO killings in the border region demonstrates the inherent violence of drug gangs.²⁷ The enforcer gangs employed by the cartels have gained power as they fill voids in cartel leadership following arrests by the Mexican government. Los Zetas have reportedly recruited former Guatemalan special forces, Kaibiles, to join them and have contracted with members of violent Central American gangs, such as *Mara Salvatrucha* (MS-13), to act as distributors.

Other Groups and Emergent Cartels

Other enforcer gangs have modeled themselves on the Zetas, but are generally considered less sophisticated assassins.²⁸ The Sinaloa cartel formed heavily-armed enforcer gangs, the Negroes and the Pelones, who have battled with the Zetas over contested turf. La Familia Michoacana, once a criminal group affiliated with the Sinaloa cartel and now described by the DEA as an “emergent cartel,” is active in the struggle for control of drugs arriving from Colombia in the

²² The violence in Juárez this past year has been extreme with more than 1,600 homicides in 2008. In December, four policemen in Juárez were killed in a half hour period and one of them decapitated. See coverage in: Tom Miller, “Twilight Zone,” *Washington Post*, February 8, 2009.

²³ Most reports indicate that Los Zetas were created by a group of 30 lieutenants and sub-lieutenants who deserted from the Mexican military's Special Air Mobile Force Group (Grupos Aeromóviles de Fuerzas Especiales, GAFES) to the Gulf Cartel in the late 1990s. See CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

²⁴ Steve Fainaru and William Booth, “As Mexico Battles the Cartels, The Army Becomes the Law; Retired Soldiers Tapped to Run Police Forces,” *Washington Post*, April 2, 2009. See also Samuel Logan, “Los Zetas: Evolution of a Criminal Organization,” March 12, 2009, available at http://www.ocnus.net/artman2/publish/Dark_Side_4/Los_Zetas_Evolution_of_a_Criminal_Organization.shtml.

²⁵ Jane's Information Group, “Security-Mexico,” February 20, 2009.

²⁶ Testimony of Joseph M. Arabit, Special Agent in Charge, El Paso Division, Drug Enforcement Administration, before the House Appropriations Committee Subcommittee on Commerce, Justice, Science and Related Agencies, March 24, 2009.

²⁷ *Ibid.*

²⁸ CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

seaports of Michoacán, Guerrero, Oaxaca and Chiapas states. La Familia was among three DTOs designated as significant foreign narcotics traffickers under the Foreign Narcotics Kingpin Designation Act, on April 15, 2009 by President Barack Obama in advance of his trip to Mexico to meet with President Calderón.²⁹ Four days after this designation, which imposes U.S. financial sanctions on group members, the Mexican government arrested an entire party of suspected La Familia members at a christening hosted by Rafael Cedeña Hernández, allegedly the number two in the gang.³⁰

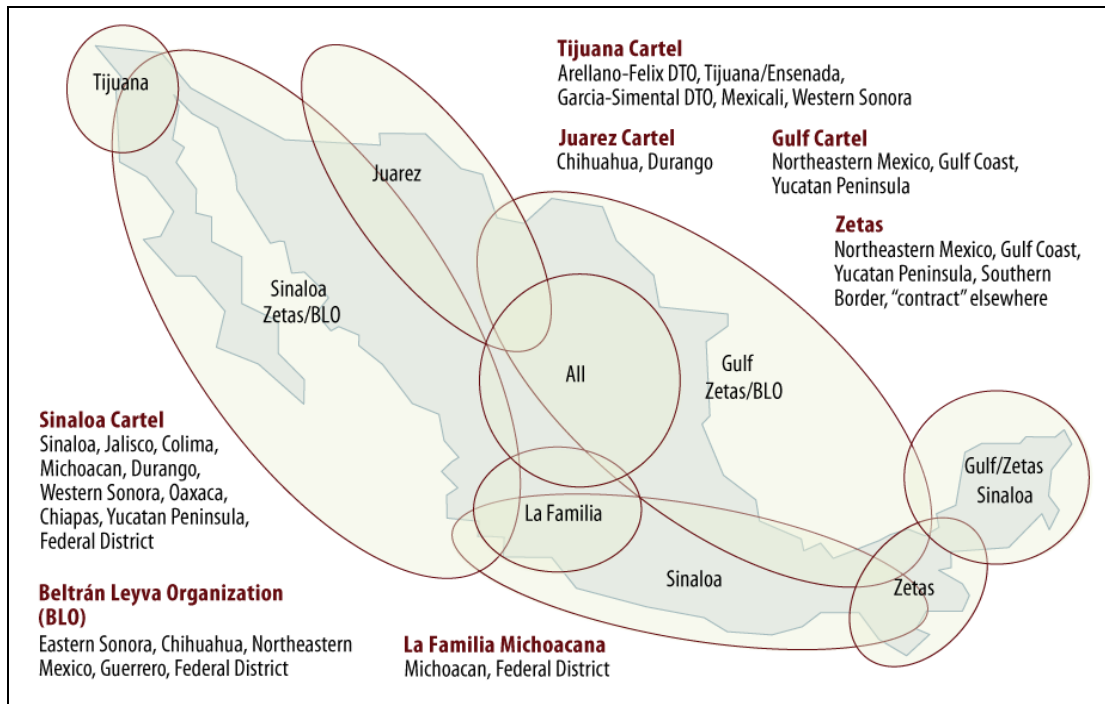
DTOs and their violent enforcers have moved into other profitable criminal activities to supplement their income including kidnapping, human trafficking, extortion and a network of other illegal businesses. The surge in violence due to inter- and intra-cartel conflict over lucrative drug smuggling routes or “plazas” has been matched by an increase in kidnapping for ransom (sometimes ending with the death of the victim) and a brisk business in other criminal enterprises. Some argue that this diversification into alternative criminal activities may be a sign that U.S. and Mexican drug enforcement measures are suppressing drug trafficking profits.³¹

²⁹ The White House, “FACT SHEET: U.S.-Mexico Discuss New Approach to Bilateral Relationship,” April 16, 2009.

³⁰ “Gang Warns Church,” *Latin American Weekly Report*, April 23, 2009.

³¹ Jane’s Information Group, “Security-Mexico,” February 20, 2009. Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*. December 11, 2008.

Figure 1. Mexican DTOs Area of Influence



Source: U.S. Drug Enforcement Administration, May 2009, adapted by CRS Graphics.

Figure 2. Map of Mexico



Source: ESRI Community Data, adapted by CRS Graphics.

The Mexican State v. The DTOs

The growth and dramatic character of the violence, the targeting of civil and law enforcement officials, and the direct battle with police and military units, have led some observers to question the strength of the Mexican government, even characterizing it as potentially a “failing” state. A report released in December 2008 by the U.S. Joint Forces Command argued that Mexico potentially could face rapid and sudden collapse in the future because the government, its politicians, police, and judicial infrastructure are under sustained assault by criminal gangs and drug cartels.³² In late March 2009, however, U.S. Director of National Intelligence Dennis Blair asserted to reporters that “Mexico is in no danger of becoming a failed state.”³³ Moreover, during Secretary of State Hillary Clinton’s trip to Mexico in March 2009, the Secretary said that the Mexican government was making “great progress” against the drug cartels, and asserted that she does not believe “that there are any ungovernable territories in Mexico.”³⁴

Mexican officials have strongly contested the claim that Mexico is a failed or failing state. Indeed, Mexican officials claim the heightened violence may be a sign that the cartels are losing ground and turning on each other as their markets shrink.³⁵ Former Director of the U.S. Office of National Drug Control Policy (2001-2009), John P. Walters, agrees with this assessment.³⁶ The Mexican government acknowledges that the country does face a significant challenge from well-financed criminal gangs through violence and corruption, but asserts that the description of Mexico as a failed or failing state “grossly distorts the facts on the ground.” According to the government, “by all significant measure, Mexico has a functioning state,” that provides education, health, security and other government services to millions of people.³⁷

Some observers have noted that the DTOs are not seeking to defeat the state, but rather subvert it. The competition to control drug trafficking routes frequently puts the DTOs in battles with state security forces. Effective control of trafficking routes depends upon corrupt government officials and law enforcement.³⁸ Each year the Mexican drug trafficking organizations repatriate huge sums of money from drug sales in the United States to Mexico, estimated to range from \$15 billion to \$25 billion annually.³⁹ Some of this money is used to buy weapons in the United States to arm the DTOs and their enforcers, while other proceeds are used to corrupt law enforcement and public officials to enable the DTOs to operate with impunity.

³² United States Joint Forces Command, “The Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force,” December 2008.

³³ Ken Ellingwood, “Clinton: U.S. Shares Blame for Mexico Ills,” *Los Angeles Times*, March 26, 2009; and “Mexico Will Not Become ‘Failed State’: U.S. Spy Chief,” *Agence France Presse*, March 26, 2009.

³⁴ U.S. Department of State, Secretary of State Hillary Rodham Clinton, “Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting,” Mexico City, Mexico, March 25, 2009.

³⁵ “On the trail of the traffickers,” *The Economist*, March 7, 2009.

³⁶ John P. Walters, “Drugs: To Legalize or Not,” *Wall Street Journal*, April 25, 2009.

³⁷ Embassy of Mexico, Washington, DC. “Mexico and the Fight Against Drug Trafficking and Organized Crime: Setting the Record Straight,” March 2009.

³⁸ Jane’s Information Group, “Security-Mexico,” February 20, 2009.

³⁹ Woodrow Wilson International Center for Scholars Mexico Institute, *The United States and Mexico: Towards a Strategic Partnership*, January 2009.

Pervasive Corruption and the Drug Trade

The large sums of cash generated by drug sales and smuggled back to Mexico is used to corrupt Mexican law enforcement and public officials to either ignore cartel activities or to actively support and protect them. Corruption of local, state and federal police has resulted in Calderón's reliance on the military to combat DTOs, and remains a major challenge for U.S.-Mexican law enforcement cooperation. Corruption of government officials has also been a significant problem that has made the campaign against DTOs more difficult. In late October 2008, an elite unit within the federal Attorney General's office known as SIEDO was implicated in a scandal involving payoffs for sensitive information about antidrug activities, with at least 35 officials and agents fired or arrested.⁴⁰ In November 2008, the former head of SIEDO, Noe Ramirez Mandujano, was arrested and accused of accepting bribes from a drug cartel. In October and November of 2008, two former heads of Interpol in Mexico were arrested for alleged ties to the Sinaloa cartel.⁴¹ In early December 2008, President Calderón stated that some 11,500 public employees had been sanctioned for corruption in the two years since he took office. In late May 2009, the federal government made its largest-ever arrest of politicians and senior officials in an anti-drug operation in the President's home state of Michoacan. Ten mayors and 18 other government and police officials, including state prosecutors and the heads of state and municipal police, were detained for alleged ties to the drug gangs.⁴²

Escalation of Violence in 2008 and 2009

While there has been a variance in available statistics on drug-related killings in Mexico, the overall trend has been a dramatic increase since 2007. Newspapers and other media organizations track drug trafficking crime by keeping daily tallies which are considered to be representative of the overall situation.⁴³ At times, the Mexican government and Mexican officials have used different numbers, but the trend has still been in the same upward direction. For example, in April 2009 the Mexican Attorney General said at a bilateral security forum in Cuernavaca that 5,600 people had been killed in DTO violence in 2008⁴⁴ in contrast to a graphic published on the Mexican Embassy website which indicates there were more than 6,800 drug-related killings last year.⁴⁵

Using as a base the Mexican Attorney General's statistics of more than 5,600 killed in drug trafficking violence in 2008, this represented a 110% increase over 2007.⁴⁶ Among those murdered were 522 Mexican military and law enforcement officials according to recent testimony

⁴⁰ Tracy Wilkinson, "Mexico Under Siege: Elite Police Tainted by Drug Gang," *Los Angeles Times*, October 28, 2008.

⁴¹ "Ex-heads of Interpol Mexico to face trial for cartel ties," EFE News Service, January 19, 2009.

⁴² Marc Lacey, "Mexican Sweep Nets Officials," *New York Times*, May 27, 2009; William Booth, "Police Detain 10 Mexican Mayors Who Are Suspected in Drug Activity," May 27, 2009.

⁴³ Jane's Information Group, "Security-Mexico," February 20, 2009.

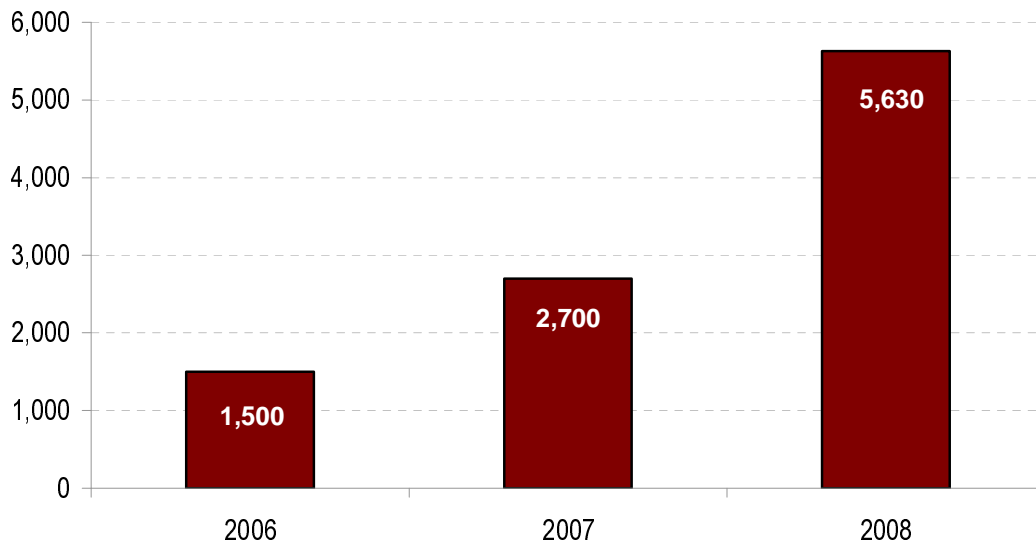
⁴⁴ "Calderón scores some successes," *Latin American Regional Report: Mexico & NAFTA*, April 2009.

⁴⁵ Embassy of Mexico, Washington, DC. "Mexico and the Fight Against Drug-Trafficking and Organized Crime: Setting the Record Straight," March 2009, available at <http://portal.sre.gob.mx/eua/pdf/SettingTheRecordStraightFinal.pdf>.

⁴⁶ "Mexico-U.S.: The Drugs War—Dissecting the threat perceived in Washington," *Latin American Security & Strategic Review*, January 2009.

of the U.S. Department of State.⁴⁷ In the first two months of 2009, the violence grew with almost 1,000 drug-related killings in Mexico or 146% more than in the comparable period in 2008.⁴⁸ According to the same publication, the 1000th murder in 2008 did not take place until April 22 (compared to February in 2009), suggesting the pace of killings have continued to rise rapidly.⁴⁹ (See **Figure 3**, for the tally of drug killings 2006-2008).

Figure 3. Cartel-Related Killings 2006-2008



Source: Mexico City's daily newspaper, El Universal. Adapted by CRS Graphics.

Causes for the Spiraling Violence

The violence in Mexico has included the assassination of high level government officials as well as gruesome murders (often carried out with garish one-upmanship) and kidnappings. Mexican officials have argued that the extraordinary violence has resulted from government successes in disrupting drug transit routes, and that the violence has been concentrated in a few border cities. Others have noted less positive trends. The willingness of DTO gunmen to take on the army directly rather than avoid confrontation has been a pattern in recent encounters.⁵⁰ Some estimate

⁴⁷ Testimony of David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, before the Subcommittee on State, Foreign Operations, Related Programs of House Committee on Appropriations, March 10, 2009.

⁴⁸ "Cartels add political dimension to 'drugs war'," *Latin American Security & Strategic Review*, February 2009.

⁴⁹ According to the *Latin American Weekly Report*: "Already this year, over 2,000 people have been killed by gang members. This is twice as many as were killed in the same period of 2008. This year, the date at which the 1000th person was killed by gangsters was 20 February. In 2008 the 1,000 death mark was only passed on 22 April." See "Mexican army 'on streets until 2013,'" *Latin American Weekly Report*, April 23, 2009.

⁵⁰ "Cartels add political dimension to 'drugs war'," *Latin American Security & Strategic Review*, February 2009. In early May 2009, Joaquin Guzman, the billionaire who reportedly heads the Sinaloa cartel threatened a more aggressive approach toward competitors and U.S. law enforcement, instructing his associates to use deadly force to get deliveries through and protect drug trafficking operations. See Josh Meyer, "Sinaloa cartel may resort to deadly force in U.S.," *Los Angeles Times*, May 6, 2009.

that those employed by the major DTOs in Mexico may number up to 100,000 or more, approaching parity with the Mexican armed forces.⁵¹ Moreover, areas of conflict appear to be spreading into new territory including to the southern border with Guatemala suggesting the heightened violence may not end soon.⁵²

The DEA reports that inter-cartel conflict (between and among members of different DTOs) and intra-cartel conflict (between members of the same DTO) have long been associated with Mexico's criminal drug enterprises. The new variable is the Calderón government's crackdown which in DEA's assessment has driven "in large measure...the current surge in violence."⁵³ The violence and brutality of the Mexican DTOs has escalated as they battle for control of multi-billion dollar narcotics markets. With the break up of both the Sinaloa federation into competing groups and the Gulf DTO into two factions (and the suspected transformation of Los Zetas from largely an enforcer group into a competing cartel), the opportunities for violence have mushroomed. Conclusions about the current alliances, objectives and the internal structure of the cartels are difficult to draw because the situation is highly fluid, and, of course, quite secretive.⁵⁴

Several analysts have characterized 2008 as a year of flux and turmoil as the drug cartels battled for market dominance and responded violently to their government's unprecedented campaign against them. In evaluating the progress of the government crackdown, one think tank's annual assessment of Mexico's drug war concludes: "The increased turbulence in inter-cartel relations has produced unprecedented levels in violence that shows no sign of abating."⁵⁵ The realignment of Mexico's drug syndicates in 2008 and their violent turf battles appear to be the result of a splintering of the so-called Sinaloa federation of DTOs, the split in the Gulf cartel and the reemergence of DTOs once thought to be obsolete which are battling for control of national markets and transport routes.⁵⁶ What was once a bi-polar competition between the powerful Gulf cartel and the Sinaloa federation has been transformed by the government's anti-crime initiatives into significant inter-cartel and intra-cartel violence.

Violence is a tool of the drug trafficking business and the objectives of the violence seem to vary. Much of the violence has been a result of conflict between the cartels for control of territory, to punish betrayals and inflict revenge against the government's successes. Violence is also used to intimidate government officials, the police and the general public. The cartels prefer to intimidate and subvert a government rather than to bring it down according to one analysis because an intimidated government can deflect effective law enforcement initiatives and it allows the drug cartels to operate largely undisturbed.⁵⁷ The cartels may also be using violence against the

⁵¹ Sara A. Carter, "100,000 foot soldiers in cartels; Numbers rival Mexican army," *Washington Times*, March 3, 2009; Steve Fainaru and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

⁵² CRS interview with DEA official on May 6, 2009.

⁵³ Testimony of Joseph M. Arabit, Special Agent in Charge, El Paso Division, Drug Enforcement Administration, before the House Appropriations Committee Subcommittee on Commerce, Justice, Science and Related Agencies, March 24, 2009.

⁵⁴ Jane's Information Group, "Security-Mexico," February 20, 2009.

⁵⁵ Stratfor, *Mexican Drug Cartels: Government Progress and Growing Violence*, December 11, 2008.

⁵⁶ *Ibid.*

⁵⁷ Ray Walser, *Mexico, Drug Cartels, and the Mérida Initiative: A Fight We Cannot Afford to Lose*, Heritage Foundation, Executive Summary: Backgrounder No. 2163, Washington, DC, July 22, 2008.

government to reestablish patterns of protection by corrupt officials that prevailed in much of Mexico for many years.⁵⁸

Kidnapping for money has also increased significantly in Mexico. In 2008, 1,028 persons were kidnapped, 31% of them concentrated in the Federal District and the state of Mexico. Reportedly at least 69 of those abducted were murdered.⁵⁹ The actual number of kidnappings is reportedly far higher, according to the State Department's human rights report on Mexico. In August 2008, the killing of a kidnap victim, Fernando Martí, the 14-year-old son of a wealthy businessman, resonated throughout Mexico. It prompted demonstrations calling for the government to take action against the escalation in violence. Kidnapping victims have not only included the rich, but also working class Mexicans whose families have been asked to pay as little as \$500 in ransom.⁶⁰ In late October 2008, the five-year-old son of a poor family, was kidnapped from a Mexico City market and then killed by injecting acid into his heart.⁶¹ In December 2008, an American anti-kidnapping negotiator, Felix Batista, was abducted in Saltillo, the capital of the border state of Coahuila. His fate remains unknown.

Mexican officials have urged the United States to cut off the flow of high-powered guns to the Mexican DTOs which they believe have also increased the violence. The Mexican government estimates that 2,000 firearms are smuggled across the Southwest border daily.⁶² For many observers, this north-to-south "iron river," as it has been called, has arguably increased since 2004, when the federal ban on assault weapons in the United States expired. On April 16-17, 2009, when President Obama traveled to Mexico to meet with President Calderón to discuss cooperation in the fight against the escalating drug violence and other bilateral issues he acknowledged that "more than 90% of the guns recovered in Mexico come from the United States."⁶³ Drug cartel enforcers are purchasing semiautomatic versions of AK-47 and AR-15 style assault rifles and other military-style weapons including .50 caliber sniper rifles in the United States. With these weapons, some estimate the cartel gunmen may be able to match the firepower of units of the military or law enforcement in small engagements. In addition, a small percentage of the weapons which have been seized by Mexican authorities from drug crimes are military-grade weapons such as portable shoulder-fired anti-tank rocket launchers and grenade launchers (although the source of these weapons is far less clear).⁶⁴ President Calderón urged President Obama to clamp down on the flow of arms southward during their meetings.

⁵⁸ Francisco E. González, "Mexico's Drug Wars Get Brutal," *Current History*, February 2009.

⁵⁹ Benito Jiménez y Verónica Sánchez, "Aumentan secuestros," *Reforma* (Mexico), April 5, 2009.

⁶⁰ Ken Ellingwood, "In Mexico, A Bounty on Every Head," *Los Angeles Times*, September 1, 2008.

⁶¹ "Killing of 5-Year-Old Kidnapped from Market Shocks Mexico," *New York Times*, November 4, 2008.

⁶² Alfredo Corchado, "Mexico's Violence to Intensify Officials from Both Sides of Border May Be Targets, Experts Predict," *Dallas Morning News*, January 4, 2009.

⁶³ "President Obama and Mexican President Felipe Calderón Hold News Conference," *CQ Newsmaker Transcripts*, April 16, 2009. The 90% figure is disputed because it only covers guns that are recovered and turned over to the U.S. government for tracing. An undetermined fraction of the weapons recovered from crimes by the Mexican government are not turned over to the United States for tracing.

⁶⁴ E. Eduardo Castillo and Michelle Roberts, "AP IMPACT: Mexico's weapons cache stymies tracing," *Washington Post*, May 7, 2009.

Location of the Violence and Mexico's Drug War Strategies

Cartel-related killings are highly concentrated in a few states. In 2008, more than 60% of the killings took place in Baja California, Sinaloa and Chihuahua and within those states killings were reportedly concentrated in three cities: Tijuana, Culiacán and Ciudad Juárez. In 2008, by far the greatest numbers of drug-related homicides took place in Chihuahua state where highly contested Ciudad Juárez is located just across the border from El Paso, Texas.⁶⁵ (See **Figure 2**, Map of Mexico). Ciudad Juárez is a strategic location for both drugs and weapons trafficking and it has emerged as a key battleground. The dominant Sinaloa cartel has competed for control of the city with the local Juárez (or Carillo Fuentes) DTO.⁶⁶ The violence in Juárez has continued in 2009. In February, the police chief resigned after cartel gunmen left written warnings on the bodies of a slain police officer and prison guard that they would kill one officer every 48 hours until he left his post.⁶⁷ Three days after his resignation, a convoy of police vehicles escorting state governor José Reyes Baeza in Chihuahua city, was fired upon, allegedly by cartel gunmen.⁶⁸

President Calderón has demonstrated an unmatched willingness to collaborate with the United States on joint counterdrug measures. He has mobilized tens of thousands of military troops to confront the DTOs in drug trafficking “hotspots.” For example, in February 2009 he sent a surge of 5,000 troops to hyperviolent Juárez, supplementing 2,500 troops and federal police already in place there. The Mexican military took over all the local law enforcement functions and the running of the prisons in the border city. With more troops added in March that brought the overall federal force to 10,800, (approximately 8,000 military) the murder rate in Ciudad Juárez finally began to fall.⁶⁹

President Calderón's crackdown significantly disrupted the cartels' operations in 2008, and this has continued in 2009. In March 2009, in an effort to increase pressure on the drug cartels, the Mexican authorities offered rewards for information leading to the capture of 24 of the top drug traffickers, with each reward set at \$2 million.⁷⁰ Since the government's crackdown, large caches of weapons and drugs have been seized, key members of the cartels arrested, and a record number have been extradited to the United States.

While such action has been popular, the Calderón Administration may be “racing against the clock” to maintain public support. Frustration may grow if the drug war in Mexico fails to produce more measurable results and the public is unlikely to tolerate a bloody war with the DTOs indefinitely. In mid-term elections in July 2009, the PRI is expected to win more seats in the national legislature and in local and state elections than Calderón's PAN party. According to a

⁶⁵ The violence in Juárez this past year was substantial with more than 1,600 homicides in 2008. In December, four policemen in Juárez were killed in a half hour period and one of them decapitated. See coverage in: Tom Miller, “Twilight Zone,” *Washington Post*, February 8, 2009.

⁶⁶ Jane's Information Group, “Security-Mexico,” February 20, 2009. The article notes that the city is a key entry point for cocaine coming from South America, synthetic drugs from a variety of sources and marijuana cultivated in Sinaloa, Durango, and Chihuahua, as well as a key entry point for firearms flowing the other direction from the United States into Mexico.

⁶⁷ David Luhnow and José de Córdoba, “The Perilous State of Mexico,” *Wall Street Journal*, February 21, 2009.

⁶⁸ “Cartels add political dimension to ‘drugs war’,” *Latin American Security & Strategic Review*, February 2009.

⁶⁹ “‘Flooding’ strategy tried out in Juárez,” *Latin American Security & Strategic Review*, March 2009.

⁷⁰ Jose de Cordoba, “Drug Cartels Rise on U.S. Agenda -- As Clinton Plans Visit This Week, Mexico Offers Rewards for Capture of Traffickers,” *Wall Street Journal*, March 24, 2009.

poll by the Mexican newspaper *Reforma* on March 1, 2009, 40% of Mexicans disapprove of how Calderón has handled drug trafficking and his broader security program.⁷¹

The militarization of law enforcement in Mexico has also been criticized by Mexican civil society and human rights organizations.⁷² The Calderón government has argued that the military will be needed in its domestic security role until at least 2013 because state and local police have been too compromised by corruption, and only the military can compete with the heavy weaponry of the DTOs. In a report released in April 2009, Human Rights Watch alleges serious human rights violations by the military.⁷³ The report describes 17 cases involving more than 70 victims in what it describes as “egregious crimes” such as enforced disappearances, killings, torture, rapes, and arbitrary detention. Several of the cases are from 2007 and 2008. Also, according to Mexico’s National Human Rights Commission (CNDH), human rights violations by Mexican security forces have surged. In 2008, CNDH reported more than 1,200 complaints of human rights abuses by members of the military.⁷⁴ Other concerns about the military involvement in civilian law enforcement include the possibility that the longer these forces serve in this capacity there is an increasing chance they too will be subject to corruption by the DTOs. About 10% of the approximately 10,000 killed in Mexico’s drug violence since Calderón came into office are from the Mexican federal police and military.

Notwithstanding the ongoing violence, Mexico continues to have one of the lower homicide rates in the region. At 11 murders per 100,000 according to the Mexican government, it is lower than those in Colombia, Guatemala, El Salvador and Brazil.⁷⁵

The U.S. Policy Response

Violence in Mexico, much of it centered in states close to the Southwest border, has generated widespread concern about spillover into the United States. Secretary of Homeland Security Janet Napolitano noted in March 2009 congressional testimony that the United States has a significant security stake in helping Mexico in its efforts against the drug cartels and organized crime, with three major roles to play: providing assistance to Mexico to defeat the cartels and suppress the flare-up of violence in Mexico; taking action on the U.S. side of the border to cripple smuggling enterprises; and guarding against and preparing for the possible spillover of violence into the United States. Secretary Napolitano noted that there already has been a limited increase in drug-related violence in the United States (such as a rise in kidnappings and weapons violations in

⁷¹Pamela Starr, “PAN Mid-term Election Loss Could Cripple Calderón,” *Focal Point*, online newsletter of the Canadian Foundation for the Americas, April 2009. Available at: <http://www.focal.ca/publications/focalpoint/fp0409/?lang=e&article=article2>.

⁷²Miguel Agustín Pro Juárez Human Rights Center, *Human Rights Under Siege: Public Security and Criminal Justice in Mexico*, September 2008.

⁷³Human Rights Watch, *Uniform Impunity: Mexico’s Misuse of Military Justice to Prosecute Abuses in Counternarcotics and Public Security Operations*, April 2009. Available at: <http://www.hrw.org/sites/default/files/reports/mexico0409web.pdf>.

⁷⁴Comisión Nacional de Derechos Humanos, (Mexico), “Informe de Actividades del 1 de enero al 31 de diciembre de 2008,” Mexico, 2009, p. 36.

⁷⁵Marc Lacey, “Killings in Drug War in Mexico Double in '08,” *New York Times*, December 9, 2008. The article cites figures from Mexican Attorney General Eduardo Medina-Mora.

cities close to the border such as Phoenix), but maintained that the increase is not the same kind or nearly the same scale as in Mexico.⁷⁶

Through a range of federal agencies including the Department of Homeland Security, the Department of Justice, and the Department of State, the United States has taken numerous measures to increase border security and cooperate with Mexico to combat the drug cartels. Initiatives have been started or strengthened to deny the DTOs illicit arms, to reduce money laundering and bulk cash smuggling (the preferred mode of transferring drug proceeds by the Mexican DTOs),⁷⁷ to reduce the trafficking of drug precursor chemicals and to suppress human smuggling.⁷⁸ Direct assistance to Mexico to support its efforts against the DTOs is provided under the Mérida Initiative with implementation led by the Department of State.

The U.S. Congress has also expressed concern over the situation in Mexico and potential “spillover” effects in the United States. Thus far in 2009, the 111th Congress has held 14 hearings on Mexico’s drug trafficking violence and border security and U.S. foreign assistance. (See **Appendix** for a listing of the hearings).

The Mérida Initiative⁷⁹

The United States and Mexico issued a joint statement on October 22, 2007, announcing a multi-year plan for \$1.4 billion in U.S. assistance to combat drug trafficking and other criminal organizations in Mexico and Central America. The Mérida Initiative, named for the location of a March 2007 meeting between Presidents Bush and Calderón, expands bilateral and regional cooperation to combat organized crime, DTOs, and criminal gangs. To carry out the Mérida Initiative, the Bush Administration requested \$500 million for Mexico in a FY2008 supplemental appropriations request and another \$450 million for Mexico in the FY2009 regular foreign aid request, for a total request of \$950 million. To date Congress has appropriated a total of \$700 million for Mexico under the Mérida Initiative: with \$352 million in FY2008 supplemental assistance and \$48 million in FY2009 bridge funds, both funded by P.L. 110-252, and \$300 million in regular FY2009 assistance funded in the Omnibus Appropriations Act, 2009 (P.L. 111-8), signed into law in March 2009.

The objective of the Mérida Initiative, according to the October 2007 joint statement, 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.⁸⁰ The joint statement highlighted efforts of both countries, including Mexico’s 24% increase in security spending in 2007, and U.S. efforts to

⁷⁶ Senate Committee on Homeland Security and Governmental Affairs, Testimony of Secretary of Homeland Security Janet Napolitano, hearing on “Southern Border Violence: Homeland Security Threats, Vulnerabilities, and Responsibilities,” March 25, 2009.

⁷⁷ Testimony of Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center before the House Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform, March 12, 2009.

⁷⁸ The scope of this multi-dimensional response is described in more detail in CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*.

⁷⁹ For more information, see CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*, by Clare Ribando Seelke and June S. Beittel.

⁸⁰ U.S. Department of State and Government of Mexico, “Joint Statement on the Merida Initiative,” October 22, 2007.

reduce weapons, human, and drug trafficking along the Mexican border. Although the statement did not announce additional funding for U.S. domestic efforts, it cited several efforts to combat drugs and crime that are already in place. Those included the 2007 Southwest Border Counternarcotics Strategy, the 2008 National Drug Control Strategy, and the 2007 U.S. Strategy for Combating Criminal Gangs from Central America and Mexico.

The Bush Administration had requested that all proposed funding for the Mérida Initiative be designated for the International Narcotics Control and Law Enforcement (INCLE) account, administered by the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL), but Congress ultimately appropriated the assistance within the INCLE, Foreign Military Financing (FMF), and Economic Support Fund (ESF) accounts (see **Table 1**). Congress also stipulated that none of the funds may be used for budget support or as cash payments to Mexico.

The law has human rights conditions softer than earlier House and Senate versions, in large part because of Mexico's objections that some of the conditions would violate its national sovereignty. As enacted, the Secretary of State, after consultation with Mexican authorities, is required to submit a report on procedures in place to implement Section 620J of the Foreign Assistance Act (FAA) of 1961. That section of the FAA "prohibits assistance to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights." An exception to this prohibition in Section 620J is if the Secretary of State determines and reports to Congress that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice. The report is a condition to release 15% of the INCLE and FMF assistance under Mérida.

Table 1. FY2008 to FY2010 Mérida Funding for Mexico by Aid Account

(\$ in millions)

Account	FY2008 Suppl. Funds (P.L. 110-252)	FY2009 Bridge Funds (P.L. 110-252)	FY2009 Omnibus (P.L. 111-8)	FY2009 House- approved Supplemental (H.R. 2346)	FY 2009 Senate- approved Supplemental (H.R. 2346)	FY2010 Request
ESF	20.0	0.0	15.0	0.0	0.0	0.0
INCLE	215.5	48.0	246.0	160.0	66.0	450.0
FMF	116.5	0.0	39.0	310.0	0.0	0.0
Total	352.0	48.0	300.0	470.0	66.0	450.0

Source: U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan; P.L. 111-8, Omnibus Appropriations Act 2009 (Division H and Joint Explanatory Statement, H.R. 1105); H. Rpt. 111-105; and U.S. Department of State, "Summary and Highlights, International Affairs, Function 150, Fiscal Year 2010."

In March 2009 legislative action on P.L. 111-8, Congress provided \$300 million for Mexico under the Mérida Initiative within the INCLE, ESF, and FMF accounts, with not less than \$75 million for judicial reform, institution building, anti-corruption, and rule of law activities. The measure has human rights conditions similar to those in P.L. 110-252. It requires that prior to the procurement or lease of aircraft, that the Director of the Defense Security Cooperation Agency, in

consultation with the Secretary of State, shall submit to the Committees on Appropriations an Analysis of Alternatives for the acquisition of all aircraft for the Mérida Initiative.

On April 9, 2009, the Obama Administration submitted a FY2009 supplemental request that includes an additional \$66 million in INCLE assistance for Mexico under the Mérida Initiative. According to the request, the assistance would be used to acquire three Blackhawk helicopters for Mexico's civilian Public Security Secretariat to provide them urgently needed air transport capacity, and to provide spare parts and support. On May 14, 2009, the House approved its version of the FY2009 supplemental appropriations measure, H.R. 2346, that would increase funding levels to \$160 million in INCLE funding (an increase of \$94 million) and an additional \$310 million in FMF funding for a total of \$470 million for Mexico. (In addition, the supplemental request and House-approved version of the bill also included \$350 million in Department of Defense Operation and Maintenance for counternarcotics and other activities, including assistance to other Federal agencies, on the U.S. border with Mexico.) On May 21, 2009, the Senate approved its version of the FY2009 supplemental that included \$66 million in INCLE assistance for Mexico, the same amount as the Administration's request. (The Senate bill shifts \$350 million requested for the Department of Defense for Southwest border security to domestic agencies, and adds \$250 million for related activities.)⁸¹

For FY2010, the Obama Administration requested \$450 million in the INCLE account for Mexico under the Mérida Initiative. It is unclear if Congress would fund the full amount requested for FY2010 if it ends up appropriating the \$470 million for Mexico in the House-approved version of the FY2009 supplemental appropriations bill.

Implementation of Mérida

The growth and dramatic character of the violence in Mexico and the potential threat for spillover north of the border has focused concern on the pace of the implementation of Mérida aid in both countries. Increasing criticism from Mexican officials has been reported as well as from Members of the U.S. Congress about the slowness of delivery of promised assistance to Mexico under the Mérida Initiative. When Secretary of State Hillary Clinton traveled to Mexico on March 25 – 26, 2009, she commented on the importance of bilateral cooperation under the Initiative and she expressed concern about the slow pace of implementation.⁸² In her testimony before the House Foreign Affairs Committee on April 22, 2009, she repeated that concern.⁸³

⁸¹ For more information on the supplemental, see CRS Report R40531, *FY2009 Spring Supplemental Appropriations for Overseas Contingency Operations*, coordinated by Stephen Daggett and Susan B. Epstein.

⁸² Secretary of State Hillary Rodham Clinton, "Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting," Mexico City, Mexico, March 25, 2009, available at: <http://www.state.gov/secretary/rm/2009a/03/120905.htm>. Secretary Clinton stated: "With respect to the helicopters, I am well aware that our long process of approval was cumbersome and challenging for the Mexican Government. We're going to see what we can do to cut that time... We think they are a necessary and important tool in the fight against the drug cartels and criminals. It's also suggested to us we ought to look at this more generally, that it takes too long from a decision to delivery, and we'll see what we can do to shorten that."

⁸³ Testimony of Secretary of State Clinton before the House Foreign Affairs Committee, April 22, 2009. She stated at the hearing: "On the Mérida Initiative, we've got to get the money flowing. Honestly, I don't understand why it's so hard, and we're really digging deep to figure that out."

According to the Department of State,⁸⁴ which is leading Mérida Initiative implementation, the first pot of \$400 million for the foreign aid program provided in P.L. 110-252 includes funding for the following:

- helicopters (up to five Bell 412 helicopters) and surveillance aircraft (up to two CASA maritime patrol aircraft) to support interdiction and rapid response of Mexican law enforcement agencies;
- non-intrusive inspection equipment, ion scanners, and canine units for Mexican customs, the new Mexican federal police and the military to interdict trafficked drugs, arms, cash, and persons;
- technologies and secure communications to improve data collection and storage;
- and technical advice and training to strengthen the institutions of justice, to improve vetting for the Mexican police force, to provide case management software to track investigations through the legal process, to support offices of citizen complaint and professional responsibility, and to promote the establishment of witness protection programs.

On December 3, 2008, the United States and Mexico signed a Letter of Agreement, allowing \$197 million of the first pot of Mérida funds to be disbursed.⁸⁵ Later in December, the governments of Mexico and the United States met to coordinate implementation of the Mérida Initiative through a cabinet-level High Level group reflecting the urgency on both sides of the border to address the growing violence in Mexico. According to the State Department, a working-level meeting was held February 3, 2009, in Mexico City “with the aim of accelerating the implementation of the 48 projects through nine working groups for Mexico under the Initiative.” This meeting was followed by another on March 2, 2009.⁸⁶

Only the initial phases of implementation have begun. Although some programs are scheduled to become operational starting in the spring through the end of 2009, others that fund military equipment have a longer procurement process. This is especially true for assistance in the Foreign Military Financing (FMF) account that provides for equipment such as Bell helicopters and CASA surveillance aircraft that may take from one to two years for delivery to Mexico. According to press reports, just \$7 million of the initial \$400 million pot of assistance has been spent, while U.S. officials have attributed delays to cumbersome U.S. government contracting regulations, negotiations with Mexico about what equipment is actually needed, and the difficulty of delivering an aid package that involves so many agencies and has some four dozen programs.⁸⁷

⁸⁴ U.S. Embassy, Mexico, “U.S.-Mexico At a Glance: The Mérida Initiative,” September 2008; U.S. Department of State, “FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic,” September 4, 2008.

⁸⁵ The \$197 million is from the International Narcotics Control and Law Enforcement (INCLE) foreign aid funding account, and will fund equipment, training, and technology programs. In addition, more than \$136 million under the Mérida Initiative from the Foreign Military Financing (FMF) and Economic Support Funds (ESF) accounts will be used to support antidrug and anticrime programs. See Embassy of the United States in Mexico, Press Release, “Mérida Initiative Monies Released; Letter of Agreement signed,” December 3, 2008.

⁸⁶ Testimony of David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, before the Subcommittee on State, Foreign Operations, Related Programs of House Committee on Appropriations, March 10, 2009.

⁸⁷ William Booth and Steve Fainaru, “U.S. Aid Delays in Drug War Criticized,” *Washington Post*, April 5, 2009.

The 111th Congress has expressed interest in cooperating with the Mexican government as it battles the DTOs and tries to bring the mayhem and violence down to a level that can be managed as a public security rather than a military concern. The heightened violence in Mexico, much of it in cities and states that border the United States, has been the focus of 14 congressional hearings to date.⁸⁸ On April 16, 2009, President Obama made his first trip to Mexico to discuss common security issues and cooperation and other issues in the bilateral relationship. In advance of the trip, the President added three Mexican DTOs (Sinaloa cartel, Los Zetas and La Familia Michoacana) to the list of drug kingpins subjecting them to financial sanctions under the U.S. Foreign Narcotics Kingpin Designation Act (P.L. 106-120). The President also urged the Senate to provide its advice and consent to the pending CIFTA treaty.⁸⁹ Congressional hearings indicate that further initiatives are likely, including a significant increase of Mérida funding in the FY2009 supplemental appropriations bill and in the President's FY2010 budget request. Motivated by concern about Mexican spillover violence and the corrosive impact of Mexican drug trafficking on the stability of Mexico's democracy and economy, further appropriations in the foreign operations and domestic context may be forthcoming.

⁸⁸See **Appendix** for a listing of these hearings in the 111th Congress.

⁸⁹ In light of intensified U.S. efforts to curb the flow of weapons to Mexico, the Obama Administration has joined some policy advocates in calling for the U.S. Senate to act on a pending treaty, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and other Related Material, known by its Spanish acronym CIFTA. See, The White House, "FACT SHEET: US-Mexico Discuss New Approach to Bilateral Relationship," April 16, 2009. Available at: http://www.whitehouse.gov/the_press_office/Fact-Sheet-US-Mexico-Discuss-New-Approach-to-Bilateral-Relationship.

Appendix. Hearings on Increased Drug Violence in the 111th Congress

This compilation of selected hearings, prepared by Julissa Gomez-Granger, Information Research Specialist with the Knowledge Services Group of CRS, focuses on increasing violence in Mexico as well as U.S. foreign assistance and border security programs.

House

U.S. Congress. House. Committee on the Judiciary. Subcommittee on Crime, Terrorism, and Homeland Security. *Escalating Violence in Mexico and the Southwest Border as a Result of the Illicit Drug Trade*. Hearing held May 5, 2009.

Witnesses: Stuart G. Nash, Associate Deputy Attorney General, and Director Organized Crime Drug Enforcement Task Forces (OCDETF), U.S. Department of Justice; Salvador Nieto, Deputy Assistant Commissioner, Office of Intelligence and Operations Coordination, U.S. Customs and Border Protection, DHS; Janice Ayala, Deputy Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement, DHS; Anthony Placido, Assistant Administrator for Intelligence, U.S. Drug Enforcement Administration, U.S. Department of Justice; William J. Hoover, Acting Deputy Director, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice

Available at: http://judiciary.house.gov/hearings/hear_090506.html

U.S. Congress. House. Committee on Homeland Security. Subcommittee on Emergency Communications, Preparedness and Response. *Examining Preparedness and Coordination Efforts of First Responders Along the Southwest Border*. Hearing held March 31, 2009.

Witnesses: Richard Barth, Acting Assistant Secretary, Office of Policy, DHS; Janice Ayala, Deputy Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement, DHS; Maj. Gen. Peter Aylward, Director, Joint Staff, National Guard Bureau; Sigifredo Gonzalez Jr., Sheriff, Zapata County, Texas; Larry Dever, Sheriff, Cochise County, Arizona

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003091913.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=0&seqNum=23#speakers>

U.S. Congress. House. Committee on Appropriations. Subcommittee on Commerce, Justice, Science and Related Agencies. *Drug Enforcement Administration*. Hearing held March 26, 2009.

Witness: Michelle M. Leonhart, Acting Administrator, Drug Enforcement Administration

Available at: http://appropriations.house.gov/Subcommittees/sub_cjs.shtml

U.S. Congress. House. Committee on Appropriations. Subcommittee on Commerce, Justice, Science and Related Agencies. *Federal Law Enforcement Response to US-Mexico Border Violence*. Hearing held March 24, 2009.

Witnesses: Bill Newell, Special Agent in Charge, ATF Phoenix Division; Joseph Arabit, Special Agent in Charge, Drug Enforcement Administration, El Paso, TX; Phil Gordon, Mayor, City of Phoenix ; David Shirk, Assistant Professor and Director of the Trans-Border Institute

Available at: http://appropriations.house.gov/Subcommittees/sub_cjs.shtml

U.S. Congress. House. Committee on Foreign Affairs. Subcommittee on the Western Hemisphere. *Guns, Drugs and Violence: The Merida Initiative and the Challenge in Mexico*. Hearing held March 18, 2009.

Witnesses: David Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs, U.S. Department of State; Roberta S. Jacobson, Deputy Assistant Secretary of State, Bureau of Western Hemisphere Affairs, U.S. Department of State; M. Kristen Rand, Legislative Director, Violence Policy Center; Andrew Selee, Ph.D., Director, Mexico Institute, Woodrow Wilson International Center for Scholars; Michael A. Braun, Managing Partner, Spectre Group International, LLC

Available at: http://foreignaffairs.house.gov/hearing_notice.asp?id=1055

U.S. Congress. House. Committee on Oversight and Government Reform. Subcommittee on National Security and Foreign Affairs. *Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S.-Mexico Border?* Hearing held March 12, 2009.

Witnesses: Andrew Selee, Director, Woodrow Wilson Center Mexico Institute; Michael Braun, Former DEA Assistant Administrator; Tom Diaz, Senior Policy Analyst, Violence Policy Center; Jonathan Paton, Arizona State Senate

<http://www.cq.com/display.do?dockkey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003074885.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=2&seqNum=109#speakers>

U.S Congress. House. Committee on Homeland Security. Subcommittee on Maritime and Global Counterterrorism. *Border Violence: An Examination of DHS Strategies and Resources*. Hearing held March 12, 2009.

Witnesses: Roger T. Rufe, Jr., Director, Office of Operations Coordination, DHS; Alonzo Pena, Attache, U.S. Embassy, Mexico City, DHS; John, Leech, Acting Director, Office of Counternarcotics Enforcement, DHS; Salvador, Nieto, Deputy Assistant Commissioner,

Intelligence and Operations Coordination, Customs and Border Protection; Kumar, Kibble, Deputy Director, Office of Investigations, Immigration and Customs Enforcement

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003074816.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=2&seqNum=110#speakers>

U.S. Congress. House. Committee on Appropriations. Subcommittee on Homeland Security. *Department of Homeland Security Response to Violence on the Border with Mexico*. Hearing held March 10, 2009.

Witnesses: Mark Koumans, Deputy Assistant Secretary of Homeland Security for International Affairs; Jayson Ahern, Acting Commissioner, Customs and Border Protection, DHS; Marcy Forman, Director, Office on Investigations, Immigration and Customs Enforcement, DHS; David Aguilar, Chief, U.S. Border Patrol

Available at: http://appropriations.house.gov/Subcommittees/sub_dhs.shtml

U.S. Congress. House. Committee on Appropriations. Subcommittee on Homeland Security. *Secure Border Initiative and Control of the Land Border*. Hearing held March 10, 2009.

Witnesses: Jayson Ahern, Acting Commissioner, Customs and Border Protection, DHS; David Aguilar, Chief, U.S. Border Patrol; Mark Borkowski, Executive Director, Secure Border Initiative

Available at: http://appropriations.house.gov/Subcommittees/sub_dhs.shtml

U.S. Congress. House. Committee on Appropriations. Subcommittee on State, Foreign Operations, and Related Programs. *Merida Initiative*. Hearing held March 10, 2009.

Witnesses: Thomas Shannon, Assistant Secretary of State for Western Hemisphere Affairs; David Johnson, Assistant Secretary of State for International Narcotics Control and Law Enforcement; Rodger Garner, Mission Director for Mexico, Agency for International Development; Lisa Haugaard, Executive Director, Latin American Working Group; Joy Olson, Director, Washington Office on Latin America; Ana Paula Hernandez, General Director, Colectivo por una Política Integral hacia las Drogas

Available at:

<http://www.cq.com/display.do?dockey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003073406.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=2&seqNum=131>

or at: http://appropriations.house.gov/Subcommittees/sub_sfo.shtml

Senate

U.S. Congress. Senate. Committee on Foreign Relations. *U.S.-Mexico Border Violence*. Field hearing held March 30, 2009. El Paso, Texas.

Witnesses: Jamie Esparza, District Attorney, El Paso, TX; William McMahon, Deputy Assistant Director, US Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC; Joseph Arabit, Special Agent in charge, Drug Enforcement Administration, El Paso, TX; Ricardo Garcia Carriles, Former Police Chief of Ciudad Juarez, El Paso, TX ; The Honorable Harriet C. Babbitt, Former Ambassador to Organization of American States, Washington, DC; Howard Campbell, Professor, University of Texas at El Paso

Available at: <http://foreign.senate.gov/hearings/2009/hrg090330a.html>

U.S. Congress. Senate. Committee on Homeland Security and Governmental Affairs. *Southern Border Violence*. Hearing held March 25, 2009.

Witnesses: Janet Napolitano, Secretary of Homeland Security; James B. Steinberg, Deputy Secretary of State; David W. Ogden, Deputy Attorney General, Department of Justice

Available at:

<http://www.cq.com/display.do?dockkey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003084334.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=7&seqNum=7#speakers>

U.S. Congress. Senate. Committee on Homeland Security and Governmental Affairs. *Southern Border Violence: State and Local Perspectives*. Field hearing held April 20, 2009. Phoenix, Arizona.

Witnesses: Janice K. Brewer, Governor, State of Arizona; Terry Goddard, Attorney General, State of Arizona; Phil Gordon, Mayor, City of Phoenix, Arizona; Octavio Garcia-Von Borstel, Mayor, City of Nogales, Arizona; Ned Norris, Jr., Chairman, Tohono O'odham Nation; Jack F. Harris, Public Safety Manager, City of Phoenix, Arizona; Clarence W. Dupnik, Sheriff, County of Pima, Arizona; Larry Dever, Sheriff, County of Cochise, Arizona

Available at:

<http://hsgac.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=f259bf1c-934d-41af-8ff3-72140882b3c3>

U.S. Congress. Senate. Senate Judiciary Committee. Subcommittee on Crime and Drugs; with the Senate Caucus on International Narcotics Control. *Law Enforcement Responses to Mexican Drug Cartels*. Joint hearing held March 17, 2009.

Witnesses: Terry Goddard, Attorney General, State of Arizona, Phoenix, AZ; William Hoover, Assistant Director for Field Operations, Bureau of Alcohol, Tobacco, Firearms and

Explosives; Anthony P. Placido, Assistant Administrator and Chief of Intelligence, Drug Enforcement Administration; Kumar Kibble, Deputy Director, Office of Investigations, Immigration and Customs Enforcement, DHS; Denise Eugenia Dresser Guerra, Professor, Department of Political Science, Instituto Tecnológico Autónomo de México, Mexico City, Mexico; Jorge Luis Aguirre, Journalist, El Paso, Texas

Available at: <http://judiciary.senate.gov/hearings/hearing.cfm?id=3718>

or at:

<http://www.cq.com/display.do?dokey=/cqonline/prod/data/docs/html/transcripts/congressional/111/congressionaltranscripts111-000003078495.html@committees&metapub=CQ-CONGTRANSCRIPTS&searchIndex=9&seqNum=2#speakers>

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