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## Crime Wars

*Gangs, Cartels and U.S. National Security*

By Bob Killebrew and Jennifer Bernal



Center for a  
New American  
Security

## Author's Preface

This study began when friends of mine in Tidewater and Northern Virginia casually remarked how they had adapted their lives to the presence of criminal gangs.

What was happening that gangs could influence so much, from sleepy Surry County, Virginia, to Northeast Washington? Walking the question back, from police departments to drug enforcement agents and double-secure military intelligence centers, led to this study. It has not been an easy intellectual journey for someone trained to see insurgencies through a different lens.

This study has at least two limitations. First, it confines itself to events in the Western Hemisphere. Many people whose opinions I respect have pointed out to me that drug trafficking organizations and gangs are a global challenge. Regional cartels, however, are the near threat: they are largely grown in the hemisphere and they walk across the U.S. border and operate in this country. So for better or worse, this is about criminal insurgency in the Western Hemisphere. Secondly, this study is, as my mountaineer ancestors would have said, "a mile wide and an inch deep." It covers a lot of ground. Each facet of the criminal economy, the subject of Venezuelan and Iranian penetration, Colombia's struggles, each of the cartels and Mexico's valiant fight to be a free nation – all deserve far more treatment than I could give here.

I am certain, though, of the major conclusion – that the United States is under attack, domestically and afield, by a networked criminal insurgency that must be defeated. My certainty comes in part by the evidence and in part from talking to operators who have been in the field and see the facts firsthand.

## Acknowledgments

At the end of every study, an author is deeply in debt to those who have propped him up and saved him from error. First place must go to my wife, Pixie, who has suffered through reading after reading as holidays go by. People who know both of us agree that I married up, and I have thought so too, for over 40 years. Thanks again, Honey.

Jennifer Bernal-García, my research assistant, walked into this project after graduation from Stanford; by now she's a hardened researcher and author in her own right. Were it not for Jennifer, this paper would be half the size and much less interesting.

At CNAS, Kristin Lord, Liz Fontaine, Patrick Cronin, Brian Burton, Lieutenant General David Barno USA (Ret.), David Asher and Ross Brown, among others, provided invaluable input to shape the report. Many others helped us through this project, and their own expertise and professionalism was a constant inspiration. Some are: Nelson Arriaga, Jimmy Bacon, Norman Bailey, Alvaro Balcazar, Scott Brady, Michael Braun, Robert Bunker, Gary Chicko, Patricia Cortés, Tom Donnelly, William Dunn, Vicente Echandía, Antulio Echevarría, Lani Elliott, Janice Elmore, Douglas Farah, Vanda Felbab-Braun, Ben Fitzgerald, Brian Fonseca, Jim Fox, Glenn Harned, Rich Higgins, Adam Isacson, Chris Lawson, María Victoria Llorente, Andrew Lomax, David Maxwell, Tony Moreno, Moisés Naím, Henry Norris, Gen. Freddy Padilla, Andres Peñate, Celina Realuyo, Jose Soto, John Stolar, Kevin Stringer, Jim Tanner, and Jim Trusty. We would like to especially thank the Combating Terrorism Technical Support Office's Irregular Warfare Support Program for their sponsorship of this report.

Their help has been invaluable, but of course I alone am responsible for the facts and conclusions contained in this report.

*Bob Killebrew*

### Cover Image

A police officer runs after an attack on police patrol trucks that killed two officers in the border city of Ciudad Juárez, Mexico, July 15, 2010. The car bomb would mark an unprecedented escalation of Mexico's drug war and confirm long-standing fears that the cartels are turning to explosives in their fight against security forces.

(ASSOCIATED PRESS)

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## *About the Authors*

**Bob Killebrew** is a Non-Resident Senior Fellow at the Center for a New American Security.

**Jennifer Bernal** is a Research Assistant at the Center for a New American Security.





**CHAPTER I:**  
INTRODUCTION

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## I. INTRODUCTION

Criminal networks linking cartels and gangs are no longer simply a crime problem, but a threat that is metastasizing into a new form of widespread, networked criminal insurgency.<sup>1</sup> The scale and violence of these networks threaten civil governments and civil societies in the Western Hemisphere and, increasingly, the United States as well.

American policymakers have been slow to recognize the evolution of the drug cartels and gangs from purely law enforcement problems to the strategic threat they now pose. Drug trafficking is variously described solely in terms of a drug problem, a challenge to other countries or a problem for states along the United States' southern border. Drug trafficking groups are, in fact, a threat across all these categories – they are part of networks attacking the United States and other friendly countries on many fronts. Although the U.S. government is currently implementing measures to address the separate pieces of this problem – for example, deploying National Guard units to the border – it has yet to craft a truly comprehensive domestic and foreign strategy to confront the inter-related challenges of trafficking and violence reaching from the Andean Ridge to American streets.

This report is the product of a yearlong study by the Center for a New American Security (CNAS). It seeks to explain the scale of organized crime in key countries in the Western Hemisphere and provide elements of such a strategy. We make these observations based on research and analysis of regional trends as well as conversations with government and law enforcement officials, in the United States and abroad, on the front lines of this fight.

The first section presents the geography of crime in Latin America, outlining how the criminal networks in Mexico, Colombia, Venezuela and other countries in between pose a common problem for the region and the United States. While the circumstances and potential futures of each

country differ, they are linked. The following section shows how the same networks are also active and growing within the United States, posing the need for domestic as well as foreign action. The last section of this study recommends principles to guide a national strategy against cartels and gangs. Finally, to make the point that illegal drug trafficking is not the cartels' only business, the appendix summarizes the major kinds of illicit commerce that support organized criminal groups in this hemisphere.

#### **Five conclusions emerge from the study.**

First, *crime, terrorism and insurgency are interwoven in new and dangerous ways that threaten not just the welfare but also the security of societies in the Western Hemisphere. Scale and the capability to destabilize governments have made the cartels an insurgent threat as well as a criminal one. The United States must lead a hemisphere-wide effort to confront and defeat the cartels' threat to civil society.*

Second, *the huge geographic scope of the criminal networks makes this challenge multinational. Cartels operate in at least 14 sovereign countries, each with its own culture, economy, government, law enforcement, justice and military establishment, transportation hubs and routes. Cartel operations also vary widely, so U.S. and other states' responses must become as adaptable as the criminal insurgencies they confront. Governments must leverage international and regional organizations to bridge gaps and ensure continuity of operations from state to state.*

Third, *any U.S. strategic effort must include appropriate assistance to Latin American states to strengthen security and law enforcement institutions. The ultimate response to terrorism and insurgency is the rule of law, and justice under the law, for people who may feel they have never had a fair shake from the government in question. Colombia's war against insurgents and drug cartels teaches*

*us that strong, democratic states operating legally and transparently can secure the backing of their people and ultimately the rejection of criminality. Local military or police forces must defeat the cartel insurgents and break them, by successive police operations, into smaller and smaller groups until they can be either incarcerated or reintegrated into civil life. U.S. aid, discretely managed and responsive to host country requirements, can be vitally important in providing the training, equipment and support for developing law enforcement capabilities for governments fighting cartels. While the cartels and their allies represent a new kind of transnational threat, the United States has been building its capability to fight such threats since before 9/11, and has increased its capabilities markedly since then. Likewise, countries like Colombia, with discrete U.S. support, have achieved notable success against narco-guerrillas and cartels.*

Fourth, *the United States must focus on cleaning its own house. America should support more effective policing operations against cartels, effectively reduce the use of illegal drugs, and fight to reduce the influence of gang culture, particularly in schools and among young people. The United States is fortunate to have generally effective, uncorrupted police forces, but the unique nature of its federal system makes coordination and information-sharing among police agencies a challenge. This must be overcome. A comprehensive national strategy encompassing enforcement, treatment, prison reform and other measures can cut back the flow of cash to the cartels and the gangs, and at the same time reduce their malign impact on civil society. At the same time, the U.S. government must fight to reduce the influence of gangs on U.S. youth cultures, particularly in schools, where gangs are now recruiting at younger and younger ages. Some communities have forged successful strategies against drug gangs; police departments, notably in Los Angeles, Northern Virginia and New York, have shown that counter-gang strategies can work.*



Public attitudes can be changed by persistent and skillful messaging; a generation that can reduce legal smoking, with a powerful industry lobby, should be able to reduce the use of harmful, illegal drugs and the attraction of gangs.

Fifth, *defeating the cartels and their allies will take a long time*. Defeating the cartels, and ensuring future security among the countries in the Americas, means dismantling their networks and driving down their impact to levels that can be handled by local law enforcement organizations. Doing so is a long-term proposition and will require continuous effort by a series of American administrations, in a manner similar to U.S. support for Colombia and decades-long interdiction programs. As summarized by one experienced agent, “There’s no abridged time line.”<sup>2</sup> Both interdiction and bilateral cooperation efforts have certainly achieved some success. During past decades U.S. law enforcement agencies like the Drug Enforcement Administration, which is operationally engaged in 86 foreign countries and a broad range of law enforcement activities, have learned to operate with police organizations of other states, giving the United States a good start on attacking the cartels directly. Other policies – such as helping friendly governments improve judicial procedures, or assisting with military counterinsurgency and economic policies to address the underlying causes of lawlessness – will take longer. There have been successes in the long struggle against criminal insurgencies. Cartels can be defeated. Thus, there is reason for optimism, provided the United States engages now.

### **The Criminal Threat in This Hemisphere**

This study focuses on the criminal networks native to this hemisphere and particularly Latin America because two factors related to human mobility – demographics and geography – combine to make Latin American instability very close to us today. When something happens in this region, it affects the United States.

Criminal cartels, gangs and other illegal armed groups are today spending hundreds of millions of dollars a year to undermine governments. When corruption proves insufficient, they turn to intimidation and violence. Increasingly, in Mexico and occasionally in other states, they challenge governments directly by attacking legitimate armies and police forces, as they have in Colombia for decades. While the states of Latin America are under direct threat, cartel activities in the United States have not yet reached that level (though some Los Angeles police officers and others in frontline cities would question that assertion).

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*Scale and the capability to destabilize governments have made the cartels an insurgent threat as well as a criminal one.*

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American policymakers, though, have been slow to recognize the evolution of the drug cartels and gangs from a problem for law enforcement to a strategic threat. Cartels have shown themselves to be adaptable to changing markets and opportunities. They are leading entrepreneurs of violent crime at the wholesale level. Transnational gangs in the United States conduct wide-ranging “retail-level” crimes of all types, including robbery, prostitution, murder, rape, home invasion, auto theft and others as well as drug distribution. Most of these crimes are violent and most focus on profit. Elimination of drug income alone, therefore, would slow but not stop these adaptable and entrepreneurial criminal networks.

Indeed, the activities of criminal networks have in many places acquired the characteristics of insurgency. Many people, including some military

experts and senior policymakers, misunderstand the word “insurgency” as an attempt to take over a government. That is not necessarily the case. An insurgency is actually an attempt to *weaken or disrupt* the functions of government, which accurately describes the actions of Colombia’s Fuerzas Armadas Revolucionarias de Colombia (FARC), the Mexican cartels and some transnational gangs.<sup>9</sup> Insurgencies are a type of armed conflict – of war – between belligerents trying to gain power over one another.<sup>10</sup> The struggle between the cartels and some states in the Western Hemisphere is not solely *about* illicit drugs, or *about* crime, but has escalated to such a degree that it has become a struggle for power among cartels, gangs and civil government.

Criminal insurgencies can be beaten. This particular form of transnational, complex and bloody insurgency has vulnerabilities, as do all insurgencies and criminal networks. Their weakness is their very illegitimacy; with the exception of a few Marxist or socialist holdouts amid Colombia’s FARC and perhaps in Venezuela, this is an insurgency not of ideology, but of greed. Determined political leadership acting under law, effective coordination within the branches of government, economic development and determined, long-term security operations can work with civil society to eventually break up the cartels, keep them on the run and re-assimilate, incarcerate or destroy their members. If given a choice, people ultimately prefer to live in peace under the rule of law and justice.

The cartels and the criminal culture that accompanies them are not now a direct national security threat to the United States. As one U.S. official put it, they are currently a threat to the national *welfare* but may become a threat to national *security*; the line between the two is hard to discern. For some other nations in the hemisphere, though, the cartels *do* constitute a direct threat to their national security. In ways that will become apparent, U.S. national welfare and security are both tied more

than ever to the security and stability of its neighbors to the south. Mexico, the states of Central America, Colombia and others are not only U.S. trading partners and, for a large segment of the U.S. population, a source of their culture; they also buffer the United States against cartel violence and anarchy. Only Colombia has thus far begun to turn back the lawlessness and violence associated with the cartel insurgency.

Meeting the cartels’ challenge will require, first, recognizing the new, broad and varied scope of the new face of violent crime in the Western Hemisphere, from Venezuela’s support of narco-crime to gang recruitment in U.S. schools and neighborhoods. Second, the United States must see the problem for what it is – a criminal insurgency against the foundations of its own society and those of states like Mexico, Colombia and others in between. “Profit” is now a motivation for insurgency, along with religion, ideology, nationalism and other causes. Finally, the U.S. government must shift the focus of its decades-long “war on drugs” to lead a broadly-based, hemisphere-wide and long-term effort focused on defeating the criminal cartels and their networks of gangs. Concerted action in the hemisphere is vital; as one Colombian official said, “we cannot win alone.”<sup>11</sup> Insurgencies are vulnerable to the staying power of democracies, provided they can effectively coordinate their influence. The first step is to understand the new nature of modern transnational crime globally, in this hemisphere, and in the United States.

### State and Non-State Criminals: The Nature of the Networks

Virtually all the cartels and gangs in this report organize in networks connected by violent crime of all types (the most serious criminal enterprises in this hemisphere are outlined in the appendix to this study). Although thugs operate the majority of the networks, they should not be underestimated; to survive, they have become highly intelligent and

ruthless. They embrace white-collar criminals in banking and other legitimate businesses throughout the world, including the United States. Widely available communications technologies facilitate the formation of networks; cellular structures, layered “cores” of leaders and various means of criminal tradecraft and intimidation protect them. Forms of these networked organizations range from formal, hierarchical models to handshakes on the street in which cash or merchandise is exchanged. Cartel networks have extensive reach, often across borders and jurisdictional lines. Two leading authorities in the field of network analysis and the theory of “netwar,” John Arquilla and David Ronfeldt, said in a 2001 RAND study:

The capacity to cross national borders creates several advantages for criminal networks. It enables them to supply markets where the profit margins are largest, operate from and in countries where risks are the least, complicate the tasks of law enforcement agencies that are trying to combat them, commit crimes that cross jurisdictions and therefore increase complexity, and adapt their behavior to counter or neutralize law enforcement initiatives.<sup>12</sup>

While criminal networks usually operate outside state control, they can also include corrupt public officials or diverted government assets. An important development is the emergence of “criminal states,” in effect descendants of the Barbary Pirate states of old, that contravene international law and support criminal networks and insurgencies that undermine and attack legitimate states. This raises to new levels the challenge of defeating cartel networks, since states can provide to illicit groups the use of state-licensed financial institutions and banks that grant access to global financial markets. Careful investigation can reveal criminal state activity through connecting webs of strategic interests, agreements, openly professed intentions and individual links that illuminate relations between states and criminal groups.<sup>13</sup>

The bureaucratic nature of governmental agencies – law enforcement, judiciary organizations, military or paramilitary forces – would at first glance appear to be at a disadvantage against highly networked, agile criminal groups. There are, however, cases today, not necessarily well known outside closed governmental circles, of government organizations that successfully operate against cartel networks with increasing success. One U.S. Drug Enforcement Agency (DEA) special agent commented that the cartels have underestimated governments’ ability to adapt transnationally. “They’re in this for short-term profits, and they don’t plan ahead,” he commented.<sup>14</sup> But significant shortfalls remain, as will be addressed, in U.S. government organizations both laterally – across U.S. federal intelligence, law enforcement and other agencies – and vertically, from federal to state and local levels of law enforcement. Fighting criminal networks requires “smart” hierarchies that can quickly transcend bureaucratic boundaries, pass information and analysis rapidly to the right places, and allow maximum latitude and support to agents or other operatives in the field.<sup>15</sup>







**CHAPTER II:**  
THE GEOGRAPHY OF ORGANIZED CRIME  
IN THE WESTERN HEMISPHERE

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## II. THE GEOGRAPHY OF ORGANIZED CRIME IN THE WESTERN HEMISPHERE

Transnational crime threatens U.S. security in several ways. Besides the direct threat of violence and the destabilization of neighboring countries, transnational crime provides states hostile to the United States with the ability to exploit criminal networks to further their own geopolitical ends. The geography of crime in the region is varied. Challenges posed to the peaceful emergence of democratic, law-abiding states by combinations of cartels and indigenous criminal gangs like MS-13, by the enormous quantities of cash generated by illicit commerce, and by the emergence of Venezuela as a criminal state, have the potential to destabilize parts of Latin America, and to threaten U.S. security, for generations.

Criminal networks take advantage of the legal, economic and geographic interconnectedness of the hemisphere. Latin America is intimately tied to the United States. With Canada, the region is the largest U.S. foreign supplier of oil, its fastest-growing trade partner, and its biggest supplier of illegal drugs.<sup>16</sup> Free trade agreements with 11 Latin American countries, including the North American Free Trade Agreement (NAFTA) which took effect in 1994 and the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) signed in 2005, have led to significant economic integration across the region. Although a hemisphere-wide Free Trade Agreement of the Americas (FTAA) remains elusive, the economic prosperity of Latin America and the United States is increasingly interdependent. Latin America is also the largest source of immigrants to the United States, both legal and illegal. As of 2008, almost 16 percent of the U.S. population was Hispanic, a rise of more than 33 percent since 2000. Nearly two-thirds of this population self-identify as being of Mexican origin.<sup>17</sup> Many members of this population maintain strong ties to their native countries, as shown by the significant remittances that flow out of the United States into Latin America every year.<sup>18</sup>

## Challenges to Legal Controls on Land, Air and Sea

The immensely varied geography of the hemisphere lends itself to criminal activity and political instability. Traffickers and smugglers make use of land lines of communication that challenge conventional border security mechanisms. For example, freight trains provide mobility across Mexico for U.S.-bound immigrants from Central America, where the mountains and dense jungles of the Guatemalan-Mexican border make immigration enforcement very difficult. Every year, more than 400,000 people are estimated to cross from Guatemala into Mexico illegally across 200 official and unofficial border entry points, most of them from Guatemala, Honduras and El Salvador.<sup>19</sup> Border crossing sites along the U.S.-Mexican border at Tijuana, Nogales, Juárez and elsewhere mark critical terrain for gangs to control the flow of illicit goods into the United States (also referred to as “plazas”) and also serve as northern termini for drug transshipment “corridors” through the Mexican heartland.

Air control also poses problems, as the hemisphere is crisscrossed by extensive air routes. Hundreds of listed airports and even more single-strip airfields dot the jungles and the coasts, making control of air corridors difficult; this is especially true in the Petén region of Guatemala, that nation’s northernmost department bordering Mexico. The widespread availability of GPS technology has made all-weather and nighttime flying more feasible, with corresponding advantages for shipping illicit drugs. The challenge is more acute when public-sector authorities turn a blind eye to unauthorized traffic. Reports indicate that cartels today



Ecuadorean police from a special anti-narcotics units, stand on the grounded hull of a 15-metre-long submersible, seized from drug traffickers and with the capacity to carry up to 12 tons of drugs, in San Lorenzo, Ecuador, July 2, 2010.

(STR/AFP/GETTY IMAGES)

increasingly use larger jet aircraft, for example B-737 types, to fly tons of illegal drugs around South America, as well as northward and toward the West African coast.<sup>20</sup> While larger aircraft are most cost-efficient, their size and weight make operations from small and easily concealed dirt strips infeasible; generally, but not always, they are restricted to airports and support facilities in urbanized settings. For the purposes of this report, it is necessary only to note that the cartels are capable – with collusion from state authorities – of managing large-capacity “airlines” with modern jet aircraft and support facilities, and abandoning them when required.

Regarding sea approaches to the United States, a decades-long U.S. maritime campaign, with help from the navies of Colombia, Mexico and other allies, has significantly degraded the cartels’ use of sea

routes through the Caribbean. For about the past decade, cartel operations have included a new class of Self-Propelled Semi-Submersible (SPSS) craft to transport drugs. Most of these are built in the jungles of Colombia, navigated via GPS, driven just below the surface to rendezvous points in the Pacific or off the Caribbean coasts of Mexico or Central America, and then scuttled after passing on their cargoes. The Colombians in many cases prefer the Pacific to the western Caribbean route, and most semi-submersible captures have been in the Pacific. SPSS and “go fast” speedboats, as well as slower trawler-type vessels, routinely reach beyond the Galapagos Islands and then hook back toward Mexico or Central America to thwart interdiction. Officials point to increasing sophistication of SPSS and believe they may eventually be able to reach the southern coastline of the United States.<sup>21</sup>



Understanding the varied political landscape – the “human terrain” – of the hemisphere is also important, as geopolitical instability opens the way for gangs and cartels to further destabilize civil life. Many Latin American states are transitioning successfully from eras of military-style dictatorships to more modern democratic systems. Chile, for example, is a modern state by any measure, and was recently admitted to the Organization for Economic Cooperation and Development (OECD).<sup>22</sup> Brazil, the perennially emerging superpower of South America, has achieved economic and political stability more recently. Colombia, with its civil conflict increasingly under control, is likewise modernizing its economy as a necessary precondition to achieving social justice and, consequently, political stability.

Social justice is critical to political stability in the region. Concentration of wealth in the hands of elites was for centuries a feature of Latin American politics and economics. With the arrival of mass communications and democratic movements in the post-Cold War period, the region moved toward democracy and the adoption of new economic models that did not always improve the lives of the poorer members of society. Some states – Chile foremost among them – took active steps to spread around the benefits of the free market and to reduce the income disparity between rich and poor. Most, either as a matter of policy or mismanagement, did not. The resulting waves of popular discontent opened the door to demagoguery, particularly in the case of Hugo Chávez in Venezuela, Rafael Correa in Ecuador and Evo Morales in Bolivia, where the strident, anti-U.S. and anti-capitalist “Bolivarian Revolution” represents not only a reaction against the United States and its allies, but popular grievances with centuries of uneven economic and social discrimination. Historical inequalities help explain the attraction that Chávez’s brand of socialism has for many rural peasants and dispossessed urban dwellers.

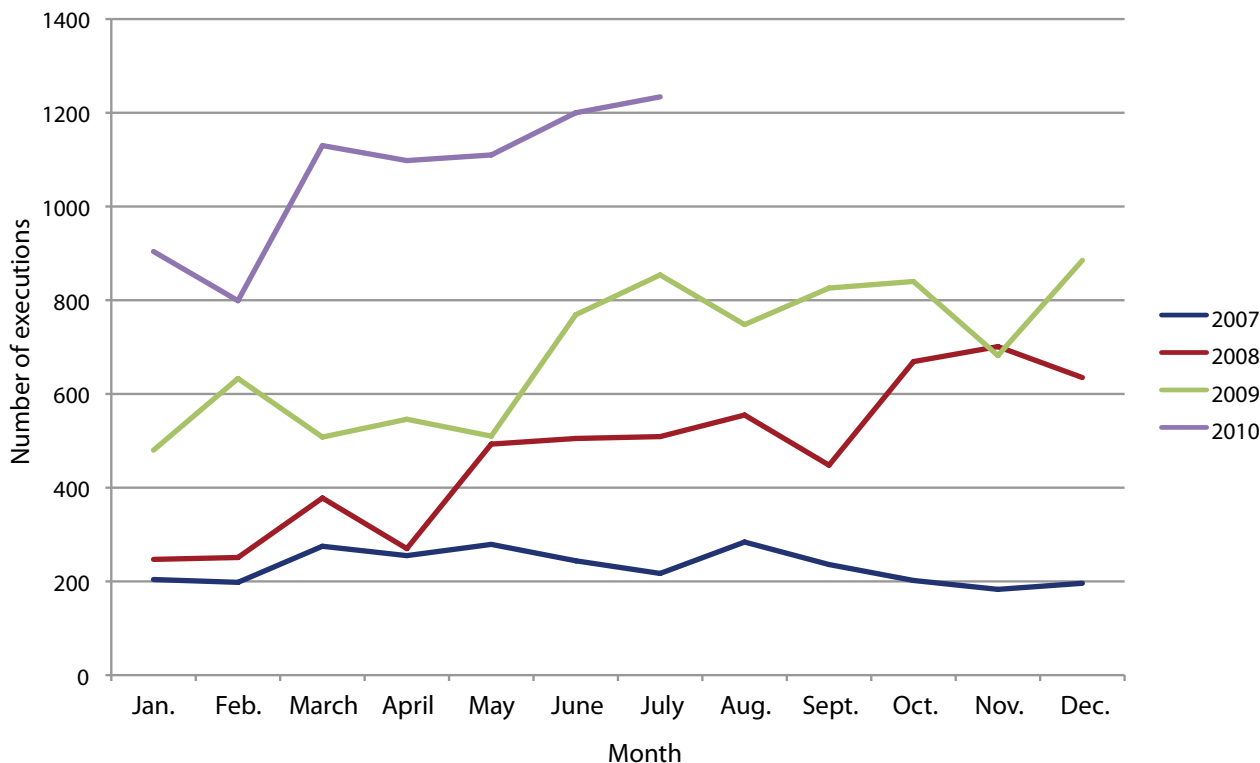
This section examines specific countries in the region and shows both that the United States faces a common problem across the region and that each country, from Mexico to the Andean Ridge, presents challenges unique to its geography and society.

### **Mexico**

No state in the hemisphere is more important to U.S. security than Mexico, which is fighting for its life against a widespread criminal insurgency. Mexican drug cartels dominate hemisphere-wide criminal networks. They have acquired wide-ranging international influence and their power struggles – among cartels and against the government – increasingly target civilians and threaten the very political stability of the country.

The Mexican state’s war against the cartels has not only cost the lives of tens of thousands of Mexican citizens, but has challenged Mexican law enforcement officials to find and weed out corrupt police officers at every level of government from low-ranking policemen to cabinet-level law enforcement professionals. Partly for that reason, the Mexican Army, which has heretofore enjoyed high levels of public respect and was regarded as less corrupt than the federal and local police forces, was deployed against the cartels in 2007. The outcome is thus far uncertain. When deployed, the Mexican Army had little or no training in domestic policing or counterinsurgency as it would apply against the cartels. The results have been mixed, but may have bought time for the government to train or retrain special police forces.<sup>23</sup> Cartel violence has affected everyone from high-profile government officials to innocent bystanders, who are increasingly caught in the crossfire. As a result, there have been more than 28,000 murders tied to drug trafficking in recent years,<sup>24</sup> as shown in Figure 1.

FIGURE 1: DRUG TRAFFICKING-RELATED MURDERS IN MEXICO



Source: Tally by Mexican Newspaper *Milenio*.

Note: Mexican newspapers have served to provide some of the best estimates of monthly murders and broadly match recent counts by Mexico's Center for Investigation and National Security (CISEN).

The growth of Mexican cocaine trafficking began when the Colombian cartels decided to use the Mexican gangs, relatively small at the time, to transport their drugs across Mexico and into the United States. At about the same time, the dismantling of the big Colombian cartels (Medellín, Cali, etc.) gave Mexicans an opening to expand their cartels and their business.<sup>25</sup> As a result, the business of growing and processing drugs and then transporting them through Mexico to the United States expanded exponentially. Today, Mexican cartels export to the United States a variety of illicit drugs: cocaine, heroin, marijuana and, increasingly in recent years, synthetics. Some drugs like marijuana – which currently accounts for more than half the revenues of the cartels<sup>26</sup> – and opium for heroin are produced in Mexico, while other

drugs like cocaine originate in southern countries like Colombia and are then trafficked north. Additionally, the cartels are developing their own domestic market, so income no longer solely depends on exports.

The narcotics industry is now a significant component of the Mexican national economy. Estimates of annual profits from illicit drug sales range from 25 to 40 billion dollars, or up to 5 percent of Mexico's GDP – twice the value of remittances by Mexican migrants.<sup>27</sup> According to the State Department, as of 2009 cartels and gangs employed hundreds of thousands of people to cultivate, process and sell illegal drugs.<sup>28</sup> Profits from drug cultivation far outstrip profits from legitimate agriculture; while a kilo of corn can sell for 40 cents, a kilo of opium can sell for 1,000

dollars.<sup>29</sup> Unemployment, public sector budget cuts and decreasing remittances to Mexico from immigrants in the United States increase monetary incentives for rural dwellers to participate in the drug trade.

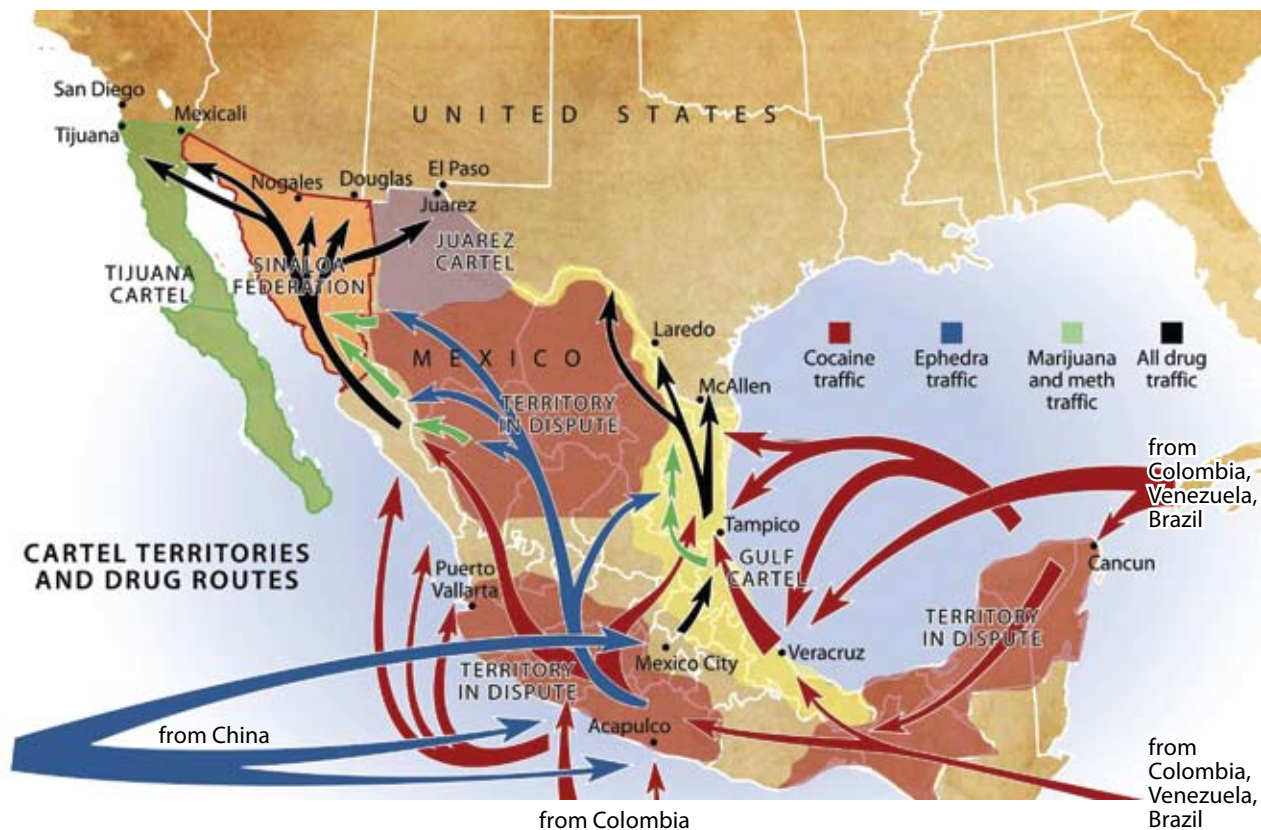
It is not just about drugs, though. Kidnapping, extortion and other kinds of crime have long been staples of cartel operations, even reaching across the border into U.S. cities. Recent U.S. assistance to the Mexican government in the form of the Mérida Initiative and the relative prosperity of U.S. businesses in Mexico and along the U.S. border increase the probability that cartels will directly affect U.S. interests.

The Mexican cartels in their present form are examples of 21st-century criminal insurgent movements. They are attacking the state from within through corruption and violence and seeking to establish areas of influence in which they can operate without restriction, and in so doing neutralize selected state authorities at the local level. Senior Research Fellow at the Center for Advanced Studies on Terrorism John Sullivan has pointed out:

Mexican cartels have employed psychological operations, fomented anti-government protests, attacked both police and military in infantry-style assaults, assassinated political officials [and] journalists, beheaded and maimed their victims, to amplify the strategic impact of their attacks, and co-opted and corrupted the military, police and political officials at all levels of government. The result is extreme brigandage, and a set of interlocking “criminal insurgencies” culminating in virtual civil war. As a consequence, some Mexican cartels, like La Familia, have embraced high order violence, religious and cult symbols, and political action to assert their control over the mega-turf they seek to dominate. They also seek community legitimacy, cultivating a folk perception that they are social protectors.<sup>30</sup>

Mexico’s criminal cartels are complex, networked organizations that combine flexible, task-focused sophistication with an inclination to family-based leadership structures. However, while they may still center on the same family group as a decade ago, the execution or incarceration of leadership has led over time to a more decentralized operational model.<sup>31</sup> Drug cartel membership is growing increasingly younger and more horizontally organized. Cell phones, computers and other technologies enable cartel members to rapidly transmit orders, organize and reorganize, and replace losses. As a rule, cartels are managed from “corporate offices” in Mexico in locations made secure with the complicity of local officials and safely away from the threat of extradition to the United States. Below “corporate” headquarters are sub-corporate “regional” offices in target countries – for example, in U.S. cities near the border – where up to a dozen regional hubs operate. Below the regional hubs are several hundred command and control cells that manage daily activities. Some sub-groups may specialize. A certain group of unit members may deal specifically with the intimidation and coercion of rural populations to enlist them in the drug trade; another may focus on killings, as used to be the case with the Zetas, the hired mercenary group of ex-military members at the service of the Gulf cartel until they struck out on their own.<sup>32</sup> Today, many of the cartels have a specific group of “sicarios” (hit men) on call to provide lethal services.

FIGURE 2: MEXICAN DRUG ROUTES



Source: Stratfor

Attempts by law enforcement to dismantle cartels by arresting or killing their leaders have produced mixed results because of the cartels' cellular structure and because actual control of cartel operations constantly shifts. Elimination of well-known leaders usually empowers lesser-known individuals who operate anonymously until they too rise to prominence.<sup>33</sup> For example, when Arturo Beltrán Leyva, the "boss of bosses" of his cartel, was arrested, his brother Hector, previously the head of the organization's money-laundering division, took over. Hector's position, in turn, passed to his other brother Carlos – a man who had previously not even figured on law enforcement "most wanted" lists.

Intra-cartel relationships affect inter-cartel ones, which can be equally complicated and volatile.

Collaboration between drug cartels sometimes begins informally below the "corporate" level. Some of the most notable collaborations between cartels have begun in prisons. In 2003, for example, Osiel Cárdenas of the Gulf Cartel and Benjamín Arellano Félix of the Arellano Félix Organization were both detained in the maximum security facility of La Palma, where the two formed an alliance that included other drug kingpins and high-profile kidnapers like Daniel Arizmendi, who had previously had no association with the drug trade. Together, they hired an association of lawyers to defend them, assassinated and intimidated enemies within and beyond the prison, and even managed on one occasion to take over the office of the prison director.<sup>34</sup>



Mexican drug cartels have established sporadic associations with a variety of criminal organizations ranging from Colombia's FARC<sup>39</sup> to transnational gang networks<sup>40</sup> (such as the Mara Salvatrucha)<sup>41</sup> and even with European groups (such as the Italian Mafia)<sup>42</sup> that have helped them internationalize their trafficking activities. In August 2005 two Mexican drug traffickers from the Juárez Cartel were arrested in Madrid as the result of collaboration between U.S. and Spanish law enforcement agencies. Mexican officials admitted that they had no previous information (and had consequently issued no arrest warrants) on the two men.<sup>43</sup> Today, Mexican drug trafficking organizations (DTOs) – cartels and smaller organizations – operate as far afield as West Africa.<sup>44</sup>

In the Western Hemisphere, Mexican cartels have reached south to deal directly with Colombian, Ecuadorean, Bolivian and Peruvian cocaine producers and to operate in Guatemala to avoid Mexican law enforcement. Guatemala, in fact, has become a haven for various drug trafficking organizations. Guatemalan law enforcement agencies assert that they have detected hundreds of Zetas coming across the country's borders, with up to 75 members residing in Guatemala on a more or less permanent basis.<sup>45</sup> In March 2009, Guatemalan officials discovered a training camp for Zetas in their territory, complete with hundreds of grenades and rifles, stocks of ammunition and motorcycles.<sup>46</sup> Zetas increasingly recruit ex-Kaibiles, the special operations division of the Guatemalan army. Panama and Costa Rica have also been affected by drug wars between cartels; in April 2009 members of the Sinaloa Federation abducted two suspected local drug traffickers at a mall in Panama City. Costa Rica's prime minister has declared her worry at the presence of Mexican cartels in her country.<sup>47</sup> The cartels' flexibility and the nature of their networks permit them to operate across national boundaries, across regions and globally.

### The Mérida Initiative

The Mérida Initiative is a critical component of U.S.-Mexico security cooperation to confront drug trafficking. In September 2008 the United States pledged 1.4 billion dollars in assistance for Mexico and Central America (and, later, Haiti and the Dominican Republic) and outlined a plan to be led by the U.S. State Department. Its original goals were: 1. break the power of impunity of criminal organizations; 2. strengthen border, air and maritime controls; 3. improve the capacity of justice systems, and 4. curtail gang activity and diminish the demand for drugs in the region.<sup>1</sup> The assistance committed ranges from the transfer of helicopters, scanners and forensic lab equipment to training programs for law enforcement officials and investigators. It also opened a U.S.-Mexico Mérida Initiative Bi-national Office in Mexico City in April 2010, staffed with U.S. and Mexican officials to facilitate the administration of Mérida funds.

In 2009, Mérida entered a second phase – referred to as *Beyond Mérida* – based on four new pillars that supersede the previous ones: 1. comprehensive efforts targeting cartels at all levels of their hierarchy; 2. institutional development and capacity building; 3. building a "21st century" U.S.-Mexico border that is both secure and economically vibrant; and 4. building resilient communities to protect them against drug trade and consumption.

While the Mérida Initiative is a watershed agreement, it has faced numerous hurdles and shortcomings. Initially, observers criticized its heavy emphasis on the transfer of hardware – such as helicopters – to the detriment of assistance to the judicial sector and the promotion of social programs. Concerns remain over the lack of programs not related to law enforcement, although *Beyond Mérida* has addressed them to some degree. Finally, Mérida has been slow: as disclosed in a recent GAO report, "as of March 31, 2010, 46 percent of Mérida funds for fiscal years 2008 to 2010 had been obligated and 9 percent had been expended."<sup>2</sup>

1. Government Accountability Office, *Mérida Initiative: The United States has provided Counternarcotics and Anticrime Support but Needs Better Performance Measures* (July 2010): 6.

2. *Ibid.*: 1.

## Mexico's Current Drug Cartels

Although the leadership and organization of the cartel networks change constantly, they remain generally geographically oriented, seeking to control main trafficking hubs or "plazas." Currently, the following major cartels are operating in Mexico.

### THE GULF CARTEL

Originally the most powerful drug trafficking organization, the Tamaulipas-based Gulf Cartel has taken losses from the Mexican government in recent years, and it is unclear who is currently leading the organization. The group nonetheless continues to have an extensive reach: it now has a presence in Europe, where it has formed a significant alliance with the Italian 'Ndrangheta.<sup>35</sup> The Gulf originally used the Zetas as its triggermen, but although relationships continue between the two groups, the Zetas have now expanded operations beyond the Gulf's sphere of direct control. The Gulf Cartel operates in eastern Mexico along the Gulf of Mexico, brings drugs in through the ports of Tampico and Veracruz, and generally operates along the Mexican-Texan border from Matamoros-Brownsville through Laredo and farther west.

### THE SINALOA FEDERATION

The Sinaloa Federation is now arguably the most powerful cartel in Mexico. Its leader, Joaquin "El Chapo" Guzmán (who famously made Forbes' list of the world's richest individuals in 2009), continues to elude Mexican authorities but is no longer the single most influential figure in the cartel. The cartel derives its name from the fact that, more than the other cartels, it is a

loosely run federation of cooperating sub-groups. Recent reports have suggested that the Mexican government's fight against the cartels has favored the Federation as part of a strategy to take care of the "low-hanging fruit" – the smaller cartels – first, before turning to the more potent enemy.<sup>36</sup> Sinaloa controls routes along the western Mexican coast from Puerto Vallarta to the north along the Gulf of California and through the Mexico-U.S. crossing sites of Nogales and Douglas, Arizona.

### THE BELTRÁN LEYVA ORGANIZATION (BLO)

Originally a part of the Sinaloa Federation, the Beltrán Leyva brothers split away from it after the arrest of Alfredo Beltrán Leyva in January 2008. The two factions then clashed violently after the Beltrán Leyvas tried to encroach on traditional Sinaloa territory. The BLO nonetheless managed to secure strategic routes in states like Jalisco, Michoacán, Guerrero and Morelos, which it uses to channel cocaine that it receives from Colombia, most notably from the Norte del Valle cartel up until recently. For several years, Mexican authorities argued that the BLO possessed the most sophisticated counter-intelligence capabilities among the cartels. As of this moment, however, the future of the organization is uncertain. The Mexican Navy's 2010 killing of Arturo Beltrán Leyva (the "boss of bosses") and the subsequent arrest of other BLO leaders (such as Carlos Beltrán Leyva and Edgar Valdez Villareal) have dealt a blow to the group – decisively, the government claims.

### THE VICENTE CARRILLO FUENTES ORGANIZATION (VCO) A.K.A. THE JUÁREZ CARTEL

Allied with the Beltrán Leyva Organization, the Vicente Carrillo Fuentes Organization has been fighting the Sinaloa Cartel over control of the important border city of Ciudad Juárez, Chihuahua, where it is based, and which is just across the Rio Grande from El Paso, Texas. Like other cartels, the VCO has diversified into a variety of criminal activities to supplement its falling revenues from drug trafficking: kidnapping, prostitution, extortion, theft and murder for hire. Indications are that the Sinaloa Cartel has won the war decisively, and that the VCO is either destroyed or ineffective.

### THE ARELLANO FELIX ORGANIZATION A.K.A. THE TIJUANA CARTEL

Originally the senior cartel in the northwestern Mexican states, the Tijuana-based Arellano Félix Organization has been severely weakened by competition with the Sinaloa Cartel and by successful cooperation between Mexico and U.S. law enforcement agencies. Today, like several of its counterparts, it has diversified into kidnapping, human trafficking and extortion to make up for declining drug revenues.

### LA FAMILIA DE MICHOACAN

Although La Familia is not considered to have territorial control on the scale of the other cartels, its prominence has increased in recent years. The group has managed to infiltrate the social, political and religious structures of the state of Michoacán and has recently

expanded to Mexico and Jalisco states, with a presence in others.<sup>37</sup> In contrast to the rest of Mexico's generally secular cartel organizations, La Familia uses religion to encourage discipline. It also acts as a vigilante group protecting the people of Michoacán from other drug traffickers. Its use of religion allows it to portray the group's assassinations of other cartel members and government officials as "divine justice." It conducts recruiting throughout Michoacán based on religious propaganda. La Familia has strong ties to the Sinaloa Federation and the Arellano Félix Organization, while it opposes the Gulf Cartel, the Zetas and the Beltrán Leyva Organization.

### LOS ZETAS

Mexico's deadly Zetas are a good example of a networked, hybrid organization – not based on a family group – in constant flux. The original Zetas were members of the government's Special Operations-like elite force Grupo Aeromóvil de Fuerzas Especiales (GAFES), tasked with dismantling criminal networks in the northern border region. They left or deserted the GAFES to work for the Gulf Cartel's enforcement arm, where their specialized military training and technological sophistication allowed them to repeatedly outgun local and federal law enforcement officials. For a time, the Zetas focused solely on hired-gun violence, since they lacked experience in the organizational and business aspects of running a trafficking cartel.

Now, however, the Zetas have completed the conversion from hired muscle to a fully operating cartel

organization. While the Zetas used to be a specialized force, they now have specialized units of their own. There are now multiple generations of Zetas, many of whom are specifically recruited and trained in certain areas of expertise. In 2005, attacks by law enforcement organizations caused the Zetas to lose control of their primary Colombian cocaine suppliers. As a result, they began to focus on other kinds of crime, including kidnapping, marijuana trafficking, extortion and piracy.<sup>38</sup>

### FUTURE PROSPECTS

Because of its size, advanced economy and proximity to the United States, as well as the ongoing war against the cartels, Mexico will remain a key state in the struggle against criminal insurgencies. While its survival as a state is not in doubt, its stability and the efficacy of its institutions are. Mexico is fighting a new revolution, this time against corruption and violent crime that has for too long been tolerated in the Mexican civic culture. Despite escalating enforcement against the cartels over the past decade, it is not clear that Mexican law enforcement and military efforts have been effective; in fact, as casualties rise (over 28,000 at this writing), the popular perception in Mexico is that the government is losing the war in terms of protecting the economy, territory and public safety.<sup>48</sup>

Mexico – its government and its voters – will shortly face two critical choices: either to fight on with increasing casualties but a long-term chance of success, or to come to a tacit agreement with the cartels, as in the past. Whether Calderón and his successors can or will politically sustain a decades-long, bloody fight to root out corruption in the Mexican state and to reestablish the rule of law is a matter of grave concern for the United States. A decision to tolerate the cartels amounts to abdication of some essential functions of government in exchange for a reduction in violence against the state – but not all violence, as the intra-cartel wars have been more costly in lives than the state-versus-cartel conflict. President Calderón recently called on Mexican policymakers to renew the debate on legalizing drugs as a way to curtail the power of the cartels; how this will play out in Mexican politics has yet to be determined.<sup>49</sup> A third option – to favor some cartels over others, and permit or assist a dominant cartel to emerge – would have the advantage of diminishing violence while reserving the state's options for some future conflict.<sup>50</sup> It is not clear, though, whether such a policy would be politically sustainable.

The challenge associated with any of these decisions is that the cartels will not remain static while the Mexican state executes its strategy. While a policy of constant pressure on the cartels may force them onto the defensive and ultimately into retreat, decisions to “live and let live” or to permit one cartel to dominate may well result a “state-within-a-state” where criminal gangs, terrorists and illicit commerce all meet free from the scrutiny of legitimate law enforcement organizations.<sup>51</sup> In this case, the legitimate government becomes a shell – all ceremony but no authority – and citizens in parts of the state live their lives under cartel rule. The best achievable result for the Mexican state would be similar to the emerging Colombian experience: to restore the rule of law and to reduce narcotics trafficking-related violence to the levels of common crime.

A critical decision point will be reached in the Mexican presidential elections of 2012, when the voters will essentially conduct a plebiscite on President Calderón's prosecution of the war. With only two years remaining in Calderón's term in office, his policies in the near future should begin to indicate how his party plans to keep power and how it intends to manage future relations with the United States. In the longer range, decisions in the near and mid-term will greatly affect the nature of the Mexican state and will have important ramifications for the Mexican-U.S. relationship and the future course of U.S. security strategy. In the meantime, Mexican authorities will likely focus on tactical issues: retraining their army in counterinsurgency doctrines; modernizing and enhancing military and police intelligence systems; and continuing cooperation with U.S. law enforcement organizations and counter-cartel operations.

### Colombia

Colombia continues its fight back from the brink of becoming the world's first narco-state even as it remains the primary source of cocaine in the world. Plan Colombia, the security cooperation



agreement between the United States and Colombia enacted at the turn of the century, has successfully diminished the threat of insurgency to the country's political stability, but it has fallen short of its goals to counter narcotics trafficking. As both countries move from Plan Colombia to more long-term assistance initiatives, they must deal with a number of remaining challenges, including the fact that the FARC continues not only to survive, but to produce the cocaine that ends up on American streets, and the emergence of other armed groups that participate in the regional drug trade.

The concept of “narco-terrorism” was born in Colombia in the 1980s and 1990s, when cocaine traffickers<sup>52</sup> began using terrorist tactics – car bombs, massacres of civilians, executions of political candidates and other attacks against both law enforcement officials and civilians – to fight extradition of convicted drug traffickers to the United States.<sup>53</sup> At the same time, the leftist FARC, Latin America's longest-running insurgency, was making major gains in the countryside. For a time, Colombia seemed to be on the verge of anarchy; in 1999, for example, civilian deaths were averaging 20 a day and kidnappings were at a rate of 200 a month.<sup>54</sup> Today, while the major cartels have been defeated and FARC driven back into the jungle, Colombia faces a complex and challenging social and political landscape. While still fighting FARC and other quasi-guerrilla cartels, the government is adapting new strategies to ensure gains remain permanent.<sup>55</sup>

The United States has actively supported Colombia's struggles against its drug cartels and FARC for decades; U.S. aid against drug cartels began in the 1990s, though with restrictions against its use to fight guerrillas. U.S. training and equipment not surprisingly found their way into campaigns against the FARC as well as operations against the drug lords, but the restrictions became moot as FARC became a cocaine-producing narco-terrorism

organization in the late 1990s.<sup>56</sup> Upon taking office in 2002, President Alvaro Uribe campaigned against the FARC through Plan Colombia, supported by a multibillion-dollar aid package of U.S. training and technical assistance to the Colombian military services and the National Police.

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*[Plan Colombia] has successfully diminished the threat of insurgency to the country's political stability, but it has fallen short of its goals to counter narcotics trafficking.*

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Plan Colombia was designed by Colombia, with U.S. support, in 2000 with the aim to “reduce the production of illicit drugs (primarily cocaine) by 50 percent in six years and improve security in Colombia by re-claiming control of areas held by illegal armed groups.”<sup>57</sup> The plan envisioned a complex intergovernmental effort by the Colombian government to reclaim territory under control of the FARC or other armed groups, quickly establish permanent security by the Colombian National Police, and at the same time provide rapid developmental assistance to local populations that had been under FARC control. Plan Colombia and other initiatives by the government combine military and police action with broadly based social incentives for populations freed of FARC control to reenter viable civic and economic life. Under the plan, the United States has provided the Colombian government over 6 billion dollars in subsidies, about three quarters of which have gone to military components of counter-narcotics cooperation.<sup>58</sup>

Broadly speaking, Plan Colombia has succeeded in countering the insurgent threat to the Colombian state, helping to secure a country that had been wracked by decades of attacks on its people and institutions, including the assassinations of prominent politicians and Supreme Court judges. State Department data shows that Plan Colombia has thus far resulted in an 80 percent decrease in kidnappings, a 40 percent decrease in homicides and a 76 percent decrease in terrorist attacks between 2000 and 2007.<sup>59</sup> A U.S. Government Accounting Office review in 2008 stated:

According to U.S. officials, Colombia improved its security climate through its counternarcotics strategy, military and police actions, and other efforts (such as its demobilization and deserter programs), which have weakened the operational capabilities of FARC and other illegal armed groups. As a result of these efforts, several indicators of security have shown marked improvement since 2000. For example, between 2000 and 2007, the Colombian government reports that the number of murders and kidnappings were reduced by at least one-third and oil pipeline attacks were reduced to almost zero. Nonetheless, U.S. and Colombian officials cautioned that the progress made is not irreversible. U.S. embassy officials told us that security gains will become irreversible only when FARC and other illegal armed groups can no longer directly threaten the central government and, instead, become a local law enforcement problem requiring only police attention.<sup>60</sup>

Originally, U.S. assistance under Plan Colombia was limited to support of counternarcotics operations, though the United States had long recognized the need for population-centered approaches to fight both narcotics production and the insurgency.<sup>61</sup> It was only after the attacks of September 11, 2001, and the resulting attention paid to global terrorism that the Bush administration linked drugs and insurgency in Colombia and

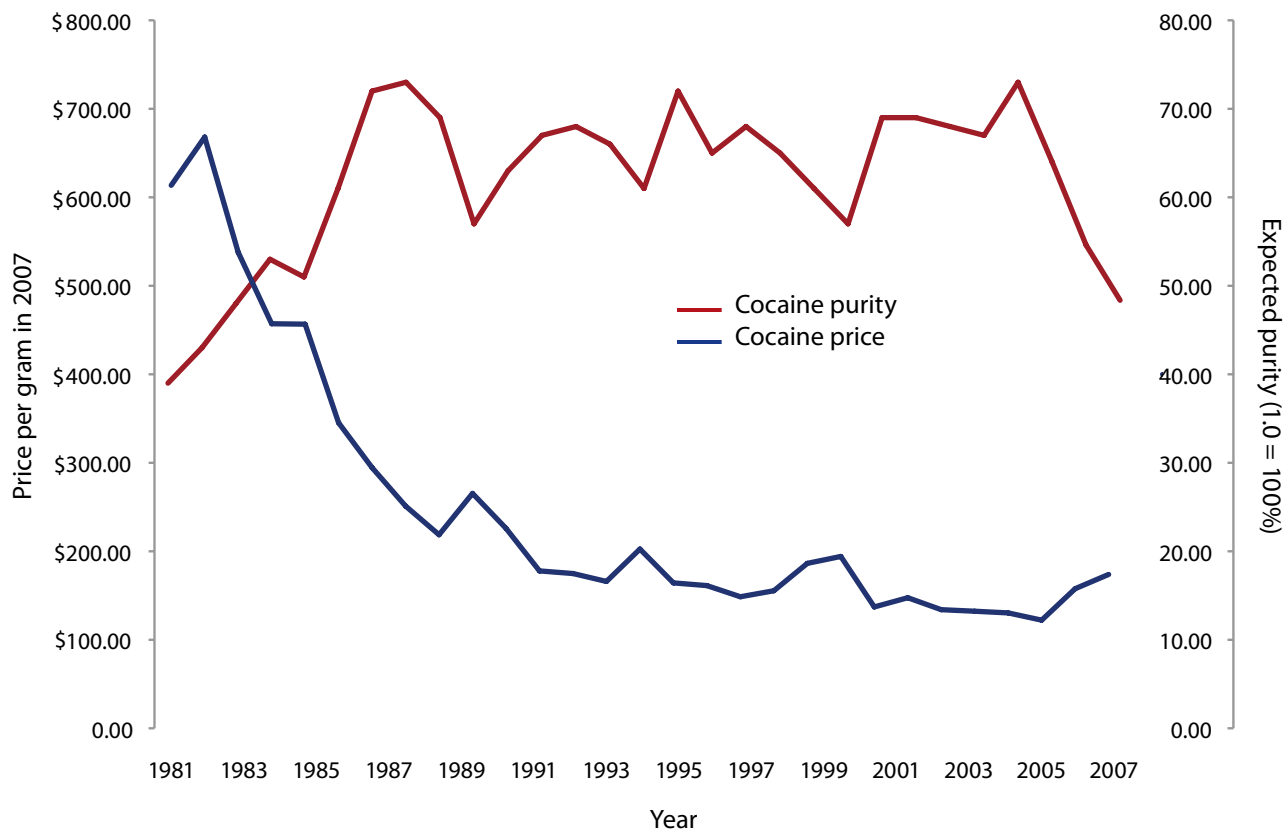
the United States and Colombia began to train Colombian units in counterinsurgency tactics. The shift also improved information sharing and synchronization of U.S. and Colombian data that might be used to target insurgent groups.<sup>62</sup> Additionally, the DEA, which had been active in Colombia since 1972, increased efforts with the DOJ and the Colombian National Police to build Colombian police capability. Increased Colombian police capacity, legislation in both the United States and Colombia and teamwork between U.S. and Colombian law enforcement organizations led to the indictment and extradition of over 500 Colombian cartel and FARC leaders, a key tool in breaking the back of the Colombian cartels.<sup>63</sup>

Conflict in Colombia is nonetheless far from resolved. While government offensives restored security along the main population corridors, many Colombians are still at risk of armed violence.<sup>64</sup> According to the Colombian Defense Ministry, the conflict claimed the lives of 20,915 people between 2002 and March 2010, including 13,653 members of “subversive groups,” 1,611 members of “illegal self-defense groups,” 1,080 members of “criminal gangs” and 4,571 members of Colombian security forces on duty.<sup>65</sup>

Furthermore, while counterinsurgency operations have restored political stability, Plan Colombia did not meet its counternarcotics goals.<sup>66</sup> The same GAO report states:

Plan Colombia’s goal of reducing the cultivation, processing, and distribution of illegal narcotics by 50 percent in 6 years (through 2006) was not fully achieved [although] major security advances have been made. From 2000 to 2006, opium poppy cultivation and heroin production declined about 50 percent. Estimated coca cultivation was about 15 percent greater in 2006 than in 2000 as coca farmers took countermeasures such as moving to more remote portions of Colombia to avoid U.S. and Colombian eradication efforts.<sup>67</sup> Estimated cocaine

**FIGURE 3: ESTIMATED YEARLY PRICE AND PURITY OF RETAIL POWDER COCAINE, 1981-2009**



Source: The Price and Purity of Illicit Drugs 1981-2007, ONDCP and Institute for Defense Analyses (IDA). 2008 and 2009 data from System to Retrieve Information From Drug Evidence (STRIDE).

Note: Prices for cocaine less than 2 grams, adjusted for inflation.

production was about 4 percent greater in 2006 than in 2000. officials from the Office of National Drug Control Policy (ONDCP) noted that cocaine production rates did not keep pace with rising levels of coca cultivation due to the impact of aerial and manual eradication on coca field yield rates.<sup>68</sup>

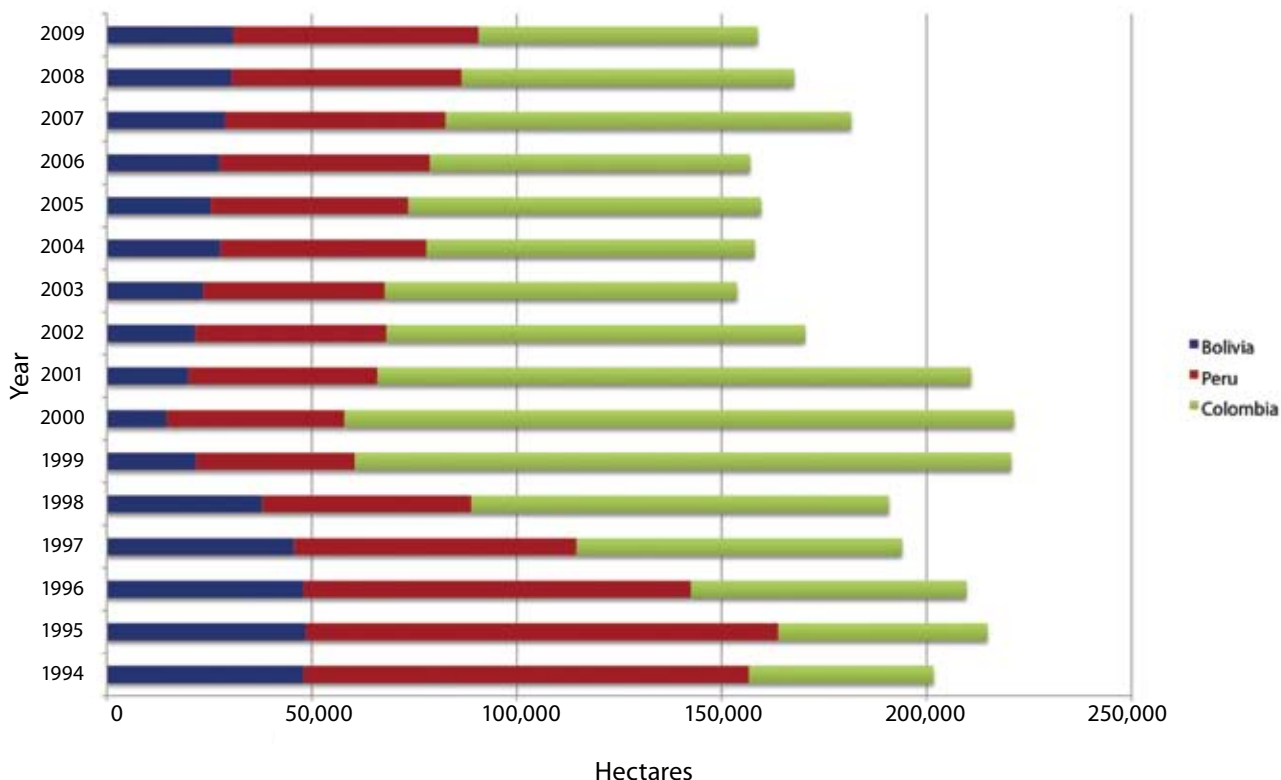
Colombia remains the source of close to 60 percent of the world’s cocaine and 90 percent of U.S. cocaine, according to the United Nations and the U.S. State Department.<sup>69</sup> A number of factors account for the persistence of cocaine production, including the shift of coca cultivation to remote areas with less enforcement (and across the border to Ecuador and Bolivia) and the development

of techniques to increase the productivity of coca crops. Although the big cartels have been dismantled, a number of resilient groups continue to supply drugs to other criminal networks across the region.

**THE FARC**

Today the FARC oversees the production of close to 60 percent of the cocaine in the United States and close to 50 percent of the world’s cocaine.<sup>70</sup> The group thus occupies a central role in the hemispheric drug trade, linking cocaine production in Colombia to cartels for onward movement to Mexico and North America. A sustained offensive by the Colombian government, with U.S. assistance, has severely weakened the FARC in

FIGURE 4: ESTIMATED COCA CULTIVATION IN THE ANDEAN REGION (HECTARES), 1995 TO 2006



Source: United States State Department and ONDCP.

recent years, fragmenting the group and leading rank and file members to desert in massive numbers. The FARC is nonetheless resilient. Sustained by linkages to other international criminal organizations and support from the Venezuelan government, it remains a pressing challenge for Colombia, the United States and the international community.

The FARC became involved with high-profile crime and cocaine-trafficking groups during the 1980s in order to finance its fight against the Colombian state. After the defeat of Colombia’s big drug cartels and the demobilization of the right-wing Autodefensas Unidas de Colombia (AUC) in 2003, the FARC became the dominant player among a field that includes many other strong, but smaller, drug trafficking organizations.<sup>71</sup> The movement’s original ideological motivation has

receded over time; although the leadership retains an ideological core and conducts periodic purges, the focus now is on drug profits to fund weapons, recruits and corrupt officials that enable it to continue its perpetual struggle against the Colombian state. An indictment against one extradited FARC commander captures the FARC’s operating methodology:

In the late 1990s, the FARC leadership met and voted unanimously in favor of a number of resolutions, including resolutions to: expand coca production in areas of Colombia under FARC control; expand the FARC’s international distribution routes; increase the number of crystallization labs in which cocaine paste would be converted into cocaine; appoint members within each Front to be in charge of coca production; raise prices that the FARC would pay to



campesinos (peasant farmers) from whom they purchased cocaine paste; and mandate that better chemicals be used to increase the quality of cocaine paste.<sup>72</sup>

Drug trafficking has earned the group profits that most experts estimate at around 100 million dollars annually.<sup>73</sup> While drugs provide the largest single share of FARC's income, the movement also makes money from kidnapping, extortion and other criminal activities in Colombia.

The FARC has evolved from the traditional insurgent-guerrilla model to a highly decentralized, networked narco-terrorist organization. Today, there are approximately 7,000 to 8,000 armed combatants in the movement, in numerous geographically based "blocs" and "fronts" operating primarily out of the jungles of the southern and eastern regions of the country.<sup>74</sup> Different fronts operate in different ways. The 29<sup>th</sup> Front is in charge of operations, while the 48<sup>th</sup> Front, near Ecuador's border, deals with most of the FARC's drug trafficking infrastructure and medical supplies and has directly engaged with Mexican cartels.<sup>75</sup> Command and control of the movement is vested in a central "secretariat" or command core similar to the one disrupted by Colombia in Ecuador in 2008. At present, the FARC is no longer an existential threat to the Colombian state, but as it has withdrawn into the jungles and rest camps on the borders of Ecuador and Venezuela. It has also become harder to finish off. In addition to cocaine production and shipment on an international scale, it is still capable of kidnappings, raids and terrorist acts, like the kidnapping and assassination of the governor of Caquetá in December 2009. The Caquetá killing led Defense Minister Gabriel Silva to caution that the FARC is "neither vanquished nor in its death throes."<sup>76</sup>

The FARC is one of the drug trafficking organizations with the most links to other criminal networks, demonstrating the versatility and

resilience of their criminal ties. As an occasional collaborator with both drug cartels and extremist organizations, it perfectly embodies the sort of hybrid non-state threat that the United States and the region may increasingly encounter in the future. The FARC continues to supply cocaine to Mexican cartels, but also Brazilian ones, such as the one run by Luis Fernando da Costa.<sup>77</sup> The FARC and Hezbollah are also collaborators. "Operation Titan," a two-year investigative endeavor culminating in October 2008 and led jointly by U.S. and Colombian authorities, resulted in more than 130 arrests and the seizure of more than 23 million dollars and 360 kilos of cocaine.<sup>78</sup> Of the individuals arrested, 21 were in Colombia, and three of these were of Lebanese or Jordanian descent.<sup>79</sup> Among them was Lebanese-born Chekry Harb, who under the alias "Taliban" led a money-laundering ring that funded Hezbollah activities through a network of militants and drug traffickers extending from Panama to Hong Kong and included the FARC as a primary producer and exporter.<sup>80</sup> More recently, officials have uncovered cooperation between the FARC and traffickers belonging to al Qaeda in the Maghreb (AQIM) and other gangs in the Sahel region of Africa.<sup>81</sup> As drug flows migrate across the Atlantic, spurred by increasing European demand for cocaine, so does the international presence of the FARC.

#### **OTHER COLOMBIAN CARTELS, PARAMILITARIES AND EMERGING GANGS**

The FARC is not the only drug production and trafficking group that remains in Colombia. The proliferation – and fragmentation – of drug trafficking organizations, paramilitary groups and gangs continues to threaten Colombian security and indicates that even finishing off the FARC would not eliminate the flow of cocaine out of the country. There are many "mini-cartels," such as the recently dismantled Norte del Valle organization, which became one of the most

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*Unless the government of Colombia can extend its reach into the FARC's jungle redoubts deep in the mountains and along the Venezuelan and Ecuadorean borders, the FARC will likely survive in the short term.*

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powerful criminal groups in Colombia after the disintegration of the Cali and Medellín cartels, that will require law enforcement attention for years.<sup>82</sup> According to the Colombian National Reparations Commission, an additional 22 armed groups are active in 200 municipalities across the country, most of which are concentrated near the lawless regions of the border with Venezuela and lack common command structures or any ideological focus.<sup>83</sup> Some of these “emerging groups” are remnants of right-wing militias that did not demobilize when called on to do so by the government, but instead fell into organized crime; others include individuals with no previous relationship with the paramilitaries who joined criminal groups to profit from drug trafficking. One of the main ones is the Aguilas Negras, estimated at 4,000 men and with many leaders who are ex-AUC.<sup>84</sup> A 2007 report by the International Crisis Group pointed out that distinctions between group categories are made even more blurry by the fact that many of these groups always had connections to organized crime and the drug trade even while they fought the FARC and other left-wing groups in the 1990s.

#### FUTURE PROSPECTS

Colombia will continue reconsolidating its democracy, instituting economic reforms and gradually bringing more territory back under the rule of law. The process of reintegrating former cartel and gang members will continue, with debates about the details of the process. Unless the government of Colombia can extend its reach into the FARC's jungle redoubts deep in the mountains and along the Venezuelan and Ecuadorean borders, the FARC will likely survive in the short term. Colombia is also providing military and police training to other South and Central American states.

#### Venezuela

Venezuela today presents a unique combination of two challenges: involvement in criminal activity at the highest levels of government and ideological opposition to U.S. interests as a major tenet of its foreign policy. The problem is not simply corruption. By withdrawing from regional counternarcotics agreements, harboring elements of organizations like the FARC and dealing directly with the Mexican drug cartels, while simultaneously integrating Iranian and Cuban military and paramilitary forces into Venezuela's own security organizations, President Hugo Chávez has combined criminality with a geopolitical challenge to the United States and its allies in the region.

Chávez was elected president of Venezuela in 1998, reelected in 2000 and 2006, and won a national referendum to lift term limits for the presidency in 2009.<sup>85</sup> His governing philosophy, “Bolivarianism,” blends Latin American Marxism, populism and nationalism that emphasizes self-sufficiency, patriotism and redistribution of Venezuela's oil revenues. Although under Chávez's rule political and media freedoms have diminished and living conditions for many Venezuelans have deteriorated, the president continues to enjoy strong grassroots support, stemming in part from long-standing economic inequities and Chávez's

attention to the needs of the poor, from which he draws his electoral strength.<sup>86</sup>

Chávez's confrontational and often erratic approach to relations with the United States, his support of anti-U.S. governments in Bolivia and Nicaragua and his high-profile alliance with President Mahmoud Ahmadinejad of Iran (discussed further below) are designed to raise Venezuela's – and Chávez's – impact on hemispheric and global affairs.<sup>87</sup> Chávez's primary means to do so is Venezuela's oil revenue; the country supplies the United States with approximately 1.5 million barrels of oil a day, making it one of the biggest suppliers to this country. The profits have been a major prop for Chávez's version of "petrodiplomacy" – usually discounts on Venezuelan oil and multibillion-dollar loans to neighboring countries in an effort to win allies throughout the region.<sup>88</sup> As a result, Bolivarianism has energized a range of leftist movements across Latin America, including Bolivia's Movement Toward Socialism, Cuba's communist party and Nicaraguan President Daniel Ortega's Sandinista National Liberation Front.<sup>89</sup> Together, these countries have formed a front that routinely decries "American imperialism" and opposes U.S.-led initiatives in the region.

These policies have been accompanied by actions that directly harm both Venezuela and the region. The current government, intent on quashing dissent by any means necessary and perpetuating itself in office indefinitely, has led a frontal assault on its country's democratic institutions. Chávez has censored dissidents and appointed cronies to his ministries. Widespread corruption and general mismanagement by the state have led to plummeting oil production and the consequent plunge in national revenue. Water rationing and electrical blackouts are now a part of daily life in Venezuela.<sup>90</sup> Moreover, law enforcement is lax and borders go unpoliced. Venezuela now has one of the highest homicide rates in the world as crime in both rural and urban areas increases.<sup>91</sup>

These trends make the longer-term outlook for Venezuelan participation in any regional strategy to curb transnational crime bleak.

Most threatening, however, is that the Venezuelan government has become involved in organized crime at its highest levels. Officials in Chávez's own cabinet have links to cartels. The state routinely diverts state resources to criminal groups – a particularly troubling trend given the significant arms build-up the country has embarked on even as its economy struggles.<sup>92</sup>

#### VENEZUELA AND THE FARC

Venezuela acts as an important node in the regional drug trade, partly through its support of the FARC. Chávez and his advisers have long backed the FARC in Colombia, with which the Venezuelan state has a number of long-running disagreements, though not until recently sufficiently serious to suggest war. One analysis points out that the Colombian-Venezuelan rivalry has long been a key tenet of Venezuela's strategic culture:

[Venezuela's] armed forces have always seen Colombia as the peer-competitor against which to plan their strategies, acquisitions and infrastructure . . . this mindset persists despite decades of Colombian migration to Venezuela, considerable cross-border trade and integration, and a substantial degree of cultural similarity in the Andean regions of the two states . . . However, the defensive strategic culture of the Venezuelans does not support more overt aggressive moves against Colombia . . . This suggests that by far the least politically costly way for President Chávez to oppose the Uribe administration's policies is covertly, through support of the FARC and other political actors hostile to the Colombian government.<sup>93</sup>

Chávez has long associated with the FARC and in particular with Raul Reyes, a former FARC deputy

commander who was killed in a Colombian raid on a FARC base in Ecuador in 2008. Computer material captured from FARC rebels in the raid, reviewed by INTERPOL and intelligence agencies from various countries, spelled out what had long been rumored: deep collaboration between the FARC and high-ranking Venezuelan officials involved in providing them weapons and resources. A recent U.S. report on the Reyes files concluded that Venezuela helped the FARC acquire a variety of weapons manufactured by China and Russia, including missiles, grenade launchers and machine guns. It also disclosed other forms of assistance by Venezuelan officers to the FARC, such as hosting meetings and liaising with the Ejército de Liberación Nacional (ELN), another Marxist guerrilla organization.<sup>94</sup> At present, FARC fighters use border rest camps inside Venezuela, out of reach of Colombian military forces.<sup>95</sup> In July of 2010, the outgoing president of Colombia again pressed the Organization of American States (OAS) to condemn the presence of the FARC camps in Venezuela.<sup>96</sup>

These findings implicate Venezuelan officials at the highest levels of government; these officials help the FARC safeguard their operational areas, obtain weapons and ship illegal narcotics through Venezuela to other destinations. In 2008 the U.S. Treasury Department indicted two senior Venezuelan officials, Hugo Armando Carvajal Barrios, Director of Venezuela's Military Intelligence, and Henry de Jesús Silva, head of the Directorate of Intelligence and Prevention Services, plus one former official, Ramón Emilio Chacín, for "materially assisting" the FARC's narcotics trafficking activities.<sup>97</sup> A statement by the U.S. Treasury points out that these officials "armed, abetted and funded the FARC, even as it terrorized and kidnapped innocents."<sup>98</sup> In December 2004, Rodrigo Granda was kidnapped by bounty hunters while attending the Second Bolivarian People's Congress in Caracas. As "foreign minister" of the FARC, it

had been Granda's duty to liaise throughout Latin America, gathering support for his group's activities. When he was taken, he had been living in Caracas for two years after having been granted Venezuelan citizenship by the Chávez government.<sup>99</sup> In July 2009, the government of Sweden pressed Venezuela to explain how Swedish-made weapons ended up in the hands of FARC rebels. As a clear violation of end-user licenses, the finding compromised the future of Swedish weapons sales to Venezuela and further strained the already tense relationship between Caracas and Bogotá.<sup>100</sup> More recently, an indictment by a prosecutor of Spain's High Court implicated high-ranking members of the Chávez regime in cooperation between the FARC and Spain's ETA (the Basque separatist organization, Euskadi Ta Askatasuna) to exchange know-how in terrorist tactics and even plan abductions of officials like Colombia's ex-president Andrés Pastrana.<sup>101</sup>

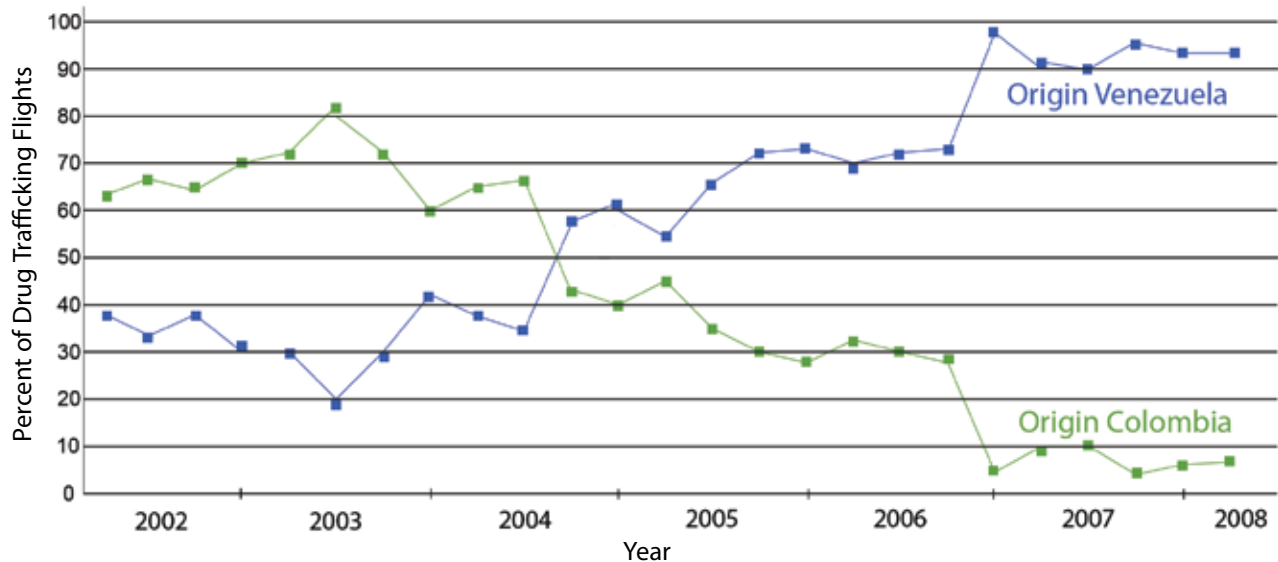
The FARC has also transformed Venezuela into a main departure point for the shipment of illegal drugs to both North America and West Africa. Venezuela officially ended cooperation with the U.S. Drug Enforcement Administration in 2005. Since then, drug trafficking has surged across Venezuelan territory as U.S. efforts to close down Caribbean routes began to take effect.<sup>102</sup> As Colombia has been more successful in controlling its airspace, Venezuela has become the key route for drug shipments among Andean Ridge countries. Figure 5 shows the decrease in drug flights traced back to Colombia and the concomitant increase in flights from Venezuela.

#### **THE IRAN-VENEZUELA ALLIANCE**

A second main aspect of Venezuela's criminal endeavors is the way in which it has offered an entry point into the hemisphere to another state sponsor of crime: Iran. While the presence in Venezuela of a self-proclaimed enemy of the United States is cause for concern, it is not illegal. What is illegal is the degree to which both countries



FIGURE 5: INCREASE IN DRUG TRAFFICKING FLIGHTS FROM VENEZUELA<sup>103</sup>



Source: National Seizure System (NSS), El Paso Intelligence Center; cited in 2010 National Drug Control Policy.

cooperate in their sponsorship of criminal actors – state and non-state – in ways that ultimately undermine regional security.

Iran has long been involved in illicit trade through Hezbollah and ministries that help Tehran circumvent international sanctions. A recent Newsweek article estimated the size of Iran’s smuggling industry at around 12 billion dollars a year, most of it under the control of the Iranian Revolutionary Guard Corps (IRGC).<sup>104</sup> Various analysts have described the IRGC as having “the structure of a mafia network, with dozens of seemingly legitimate front businesses that mask illicit enterprises or serve as money laundries.”<sup>105</sup> According to the U.S. government, Iran is also the world’s most active state exporter of terrorism.<sup>106</sup> Venezuela, in its ties to the cartels and association with the FARC, has also supported international terrorism, although it is not designated as a state sponsor of terrorism by the United States.<sup>107</sup> The linking of the two countries’ state-sponsored criminal networks magnifies the capabilities of drug-trafficking

organizations and terrorist groups like the FARC and Hezbollah.

Good relations between Venezuela and Iran predate the Chávez regime, reaching back to the 1960s when the two countries co-founded OPEC, but the current warm relations between Chávez and Iran’s Ahmadinejad represent a new phase in the relationship. U.S. officials like Manhattan District Attorney Robert Morgenthau have expressed concern that “nobody is focused sufficiently on the threat of the Iran-Venezuela connection” to U.S. security.<sup>108</sup> Secretary of Defense Robert Gates also expressed concern in a January 2009 statement on Iranian international activities.<sup>109</sup> Chávez and Ahmadinejad are both vociferously hostile to the United States, invoking the need to “save humankind and put an end to the U.S. Empire.”<sup>110</sup> One expert summarizes the relationship as follows:

Iran over the past several years has built up a network of facilities in Latin America and the

Caribbean, concentrated particularly in Venezuela, but also in Ecuador, Bolivia, Central America and Panama and involved with the financing of terrorist organizations, drug trafficking, weapons smuggling and manufacture, money laundering, the provision of chemical precursors to Colombian drug cartels and diamond smuggling.<sup>111</sup>

Iranian-Venezuelan transactions involve the unmonitored international movement of drugs, money, weapons and people. Starting in March 2007 and until recently, Air Iran flew from Tehran to Caracas with a stopover in Damascus, Syria. The flights apparently carried only official passengers, with cursory immigration control.<sup>112</sup> Lax immigration controls have alarmed U.S. officials, who point out that Venezuelan passports are apparently widely available to all comers, and have been issued to a number of travelers from Syria, Yemen, Iran and other Mideast states that have been known to harbor terrorists. In November 2008, Turkish authorities intercepted 22 shipping containers labeled “tractor parts” bound from Iran to Venezuela that contained bomb-making chemicals and laboratory equipment.<sup>113</sup> “What they contained,” one Turkish official was quoted as saying, “was enough to set up an explosives lab.”<sup>114</sup> Likewise, in September 2006 Rodolfo Sanz, the Venezuelan Minister for Basic Industries, announced that “Iran is helping us with geophysical aerial probes and geochemical analysis” in its search for uranium in a promising area near the Guyanese border.<sup>115</sup>

Venezuela also provides Tehran with a potential base from which to launch “asymmetric attacks,” as Ahmadinejad has said, America’s back door. One expert has testified that Iran could be seeking “to develop rudimentary retaliatory capability against the United States throughout Latin America should Iran be attacked or invaded.”<sup>116</sup> An example would be an attack through sleeper cells against U.S. interests in Latin America or in the United States itself in the event of U.S. or Israeli air strikes

against Iran.<sup>117</sup> Since about 2006, Iranian military advisers have been serving with the Venezuelan army, joining a strong contingent of Cuban military officers.<sup>118</sup> The IRGC, including members of the elite Quds Force, operates in Venezuela in both military and civilian roles, in the latter case managing a number of Iranian-owned and controlled factories in remote areas in Venezuela. Both the IRGC and Hezbollah, working through the Iranian embassy, are accused of carrying out the 1994 bombing of the Jewish Mutual Association in Buenos Aires, Argentina. Interpol identified several senior members of the Iranian government, including the state’s current defense minister, as suspects in the case.<sup>119</sup>

The presence in Venezuela of the Quds Force should particularly concern the United States, as recent Department of Defense (DOD) reports note.<sup>120</sup> While the IRGC has a mixed military-business function, Quds specializes in terrorist-type operations and has operated against U.S. forces in Iraq. Some private intelligence groups have speculated that the FARC and possibly other anti-Colombian guerrilla groups are receiving Quds training in ways similar to the Quds’ support of terrorist groups in Iraq.<sup>121</sup> Given the Chávez government’s close relationship with members of the Mexican cartels and the Quds’ expertise in vehicle-borne improvised explosive devices (VBIEDs), the appearance of early VBIEDs in Mexico is particularly worrisome.<sup>122</sup>

Iran also uses Venezuela as an enabler to commit other international crimes: circumventing U.S. and U.N. economic sanctions and laundering illicit funds to support Iranian weapons programs. In January 2008, Iran opened the International Development Bank in Caracas under the Spanish name Banco Internacional de Desarrollo C.A. (BID), an independent subsidiary of the Iranian Development and Export Bank (IDEB). In October of that year, the U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) imposed U.S. economic sanctions against both banks for providing financial services

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*While the current Venezuelan government has been co-opted by criminal interests, the lack of a viable political replacement to Chávez makes a dangerous power vacuum likely in the future.*

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to Iran's Ministry of Defense and its Armed Forces Logistics, the two Iranian military offices charged with supporting Iran's nuclear program.<sup>123</sup> In April 2009, the Iran-Venezuela Bank was established with each country making an initial investment of 100 million dollars.<sup>124</sup> One expert has stated that "All of this activity is designed to facilitate the funding of . . . terrorist organizations . . . and to circumvent financial sanctions imposed by the United States, the European Union and the United Nations. The IDEB has now opened a branch in Quito, Ecuador. The Treasury Department has sanctioned the Iranian banks and various individuals, but so far has not sanctioned any Venezuelan bank."<sup>125</sup>

#### **FUTURE PROSPECTS**

Venezuela poses multiple challenges for U.S. policy makers. The U.S. government has traditionally treated Venezuela with benign neglect – ignoring Chávez's provocations to avoid a regional flare-up. The problem with this policy is that it has led to poor intelligence gathering and a tendency to avoid considering policy options, such as the costs and benefits of imposing targeted sanctions against elements of the Chávez government. At the same time, leverage against the Chávez regime remains

limited: Publicly condemning it plays into the hands of Chávez propaganda, which is quick to decry "American imperialism," while gestures like sanctions risk hurting and marginalizing a Venezuelan public that, unlike its president, maintains a largely positive-to-neutral opinion of the United States.<sup>126</sup>

U.S. policymakers will face additional questions in the future. The first one is how criminalized the Venezuelan state will become in order to perpetuate Chávez's hold on power; funds from criminal activities can help provide a cushion against budget shortfalls. Venezuela could ultimately devolve to a failed narco-state on the Andean Ridge, its government supported by Cuban and Iranian-style security services, while Chávez and his allies move to consolidate transnational criminal ties across the region.<sup>127</sup> The second question is whether any post-Chávez future will present greater or lesser challenges to regional stability. While the current Venezuelan government has been co-opted by criminal interests, the lack of a viable political replacement to Chávez makes a dangerous power vacuum likely in the future. Unless the Chávez government is followed by a viable, centrist and constitutional successor, Venezuela's future has the potential to be a chaotic free-for-all in which the power of criminal groups runs unchecked.

### **The Rest of the Andean Ridge – Bolivia, Ecuador and Peru**

#### **BOLIVIA**

In Bolivia, the election of Evo Morales gave Chávez an ideological partner. Riding a voter uprising by the country's poorer, often-ignored indigenous majority, Morales in 2008 ordered that the U.S. DEA cease activities in Bolivia. The agency had long conducted, with Bolivian law enforcement officials, operations against illegal coca production. In January 2009, the last DEA agents left Bolivia, ending a 35-year presence, even as Bolivian coca production was legalized and on the rise.<sup>128</sup>

## ECUADOR

Although often overlooked, Ecuador has become a favored organized crime hub for a number of reasons, including a weak judicial system, the lifting of visa requirements for most countries in the world and loose financing laws. The dollarization of the Ecuadorean economy after a national economic meltdown in 2000 has also made it easy for criminal groups to launder money without the need for currency exchange. Although criminal syndicates ranging from Russian mafias to Asian triads can be found in Ecuador, the main illegal armed group in the country remains the FARC. Although Ecuador is not a significant coca producer, the Colombian conflict has long spilled over into its territory. Since the Colombian military has achieved success in shrinking FARC-controlled territory in recent years, Ecuador, like Venezuela, has become a safe haven for the FARC's retreat.<sup>129</sup> Furthermore, recent drug seizures prove that the FARC has transitioned from simply trafficking cocaine through Ecuador to refining it on site.<sup>130</sup>

## PERU

The government of Peru cooperates fully with the U.S. government on counternarcotics matters. Peru is the world's second largest coca cultivator and producer of cocaine, but it is also one of the places where U.S.-supported alternative development programs to redirect local growers toward crops other than coca have gained the most traction. The State Department has urged it to devote more resources to implementing its counternarcotics plans and operations.

## Central America

Central America's importance as a primary drug trafficking route is increasing as maritime interdiction drives traffickers to use land routes and the Mexican cartels relocate to areas with less enforcement. El Salvador, Honduras and Guatemala, already struggling with some of the highest homicide rates in the world, possess large populations of former combatants as a manpower pool for the cartels and drug gangs. Panama has been relatively

free of large-scale gang violence, though reports surface of major cartel activity in the banking sector. Nicaragua's unstable politics and approaching elections in 2011 make forecasting difficult. President Ortega is also a Chávez ally, open to allowing Iranian agents into Managua. El Salvador is likely to remain a relatively stable, left-leaning democracy loosely associated with Venezuela but increasingly going its own way; both it and Honduras, which will recover from the irregular replacement of its president in 2009, will continue to struggle with criminal gangs like MS-13, which is headquartered in El Salvador.

Guatemala's notoriously corrupt government has little control over its northern border, which is increasingly used by the cartels and gangs as an area of refuge.<sup>131</sup> Guatemala City is experiencing record levels of violent crime, while the city at the same time is experiencing a high-rise building construction boom though with only a 25 percent occupancy rate, usually a sign of large-scale money laundering.<sup>132</sup> Despite efforts by elected officials, Guatemala is not liable to reform in the near future. Civil collapse or takeover of civil institutions by drug cartels is possible, but the most likely future is for the state to struggle on as an ineffective and corrupt government that is generally not able to maintain law and order even in urban areas.

Belize plays a significant role in supporting the Colombian cartels' drug transshipment infrastructure. It is also a hub for importation of massive quantities of Asian manufactured pseudoephedrine for the production of Mexican methamphetamine. Like many other Central American states, its government is vulnerable to drug corruption. Iranian influence in the region is growing. Central America will be a key and troubling region for the foreseeable future, but also one where U.S. assistance will generally be welcome.





**CHAPTER III:**  
CARTELS AND GANGS IN THE UNITED STATES

S E P T E M B E R 2 0 1 0

**Crime Wars**  
*Gangs, Cartels and U.S. National Security*





### III. CARTELS AND GANGS IN THE UNITED STATES

Transnational crime from the Andean Ridge to Mexico directly impacts the United States. Cartel operations in the United States have not risen to the level of insurgency, as they have in Mexico, nor do they threaten to undermine government or civic order nationwide, as they do in Guatemala or other states in Central America. As stated previously, they challenge the national *welfare* rather than national security. But their influence is growing with the spread of gang culture.<sup>133</sup> The Federal Bureau of Investigation reports that gang activity is spreading nationwide, just as it is globally.<sup>134</sup> Despite the best efforts of dedicated law enforcement professionals, in some cities' gangs – the retail outlet for cartel narcotics – directly control swaths of territory and indirectly affect the behavior of scores of people.

As the largest drug market in the hemisphere, the United States is a magnet for the cartels and their allies. Mexican cartel “branch offices” are currently active in more than 230 U.S. and Canadian<sup>135</sup> cities and dominate the wholesale distribution of drugs throughout the United States, as recognized by the DOJ and summarized in the *Wall Street Journal*:

Mexico’s cartels already have tentacles that stretch across the border. The U.S. Justice Department said recently that Mexican gangs are the “biggest organized crime threat to the United States,” operating in at least 230 cities and towns. Crimes connected to Mexican cartels are spreading across the Southwest. Phoenix had more than 370 kidnapping cases last year, turning it into the kidnapping capital of the U.S. Most of the victims were illegal aliens or linked to the drug trade.<sup>136</sup>

The criminal insurgency in Mexico increasingly threatens the security of the border region, in particular for people who must move across the border in the course of daily business. As the border becomes a significant flashpoint, it is not

uncommon to hear reports like this one from an Arizona resident:

One week before the murder (of an Arizona rancher) Bob and his brother Phil . . . hauled a huge quantity of drugs off the ranch that they found in trucks. One week before that a rancher near Naco did the same thing. Two nights later gangs broke into his ranch house and beat him and his wife and told them that if they touched any drugs they found they would come back and kill them.<sup>137</sup>

Accurate assessments of the magnitude of “spill-over violence” are difficult, partly because of the gangs’ success in blending into local environments and political pressures from local governments – some locales play down violence to avoid stigma, while others overplay it. Even as overall crime rates in the border region decline,<sup>138</sup> the number of kidnappings in U.S. cities near the border has ballooned in recent years as large populations of immigrants have been infiltrated or targeted by cartels or splinter groups of small-time thugs. Yet, although cartels have become bolder in attacking isolated ranchers, they have so far refrained from targeting U.S. agents. While the DOJ reports that assaults against Border Patrol agents “increased 46 percent from 752 incidents in FY2006 to 1,097 incidents in FY2008,” most of these incidents involved thrown rocks,<sup>139</sup> and Customs and Border Protection (CBP) asserts that border patrol agents remain much less likely to experience attacks than police counterparts in more crowded urban settings.<sup>140</sup> In general, the border is safer than previously in U.S. history, but isolated, high-profile incidents of drug-linked violence are on the rise and perceptions of lawlessness are increasing.<sup>141</sup> It is not uncommon to spot signs marking large swaths of national parks and reservations along the border warning area residents not to venture into known hotspots for smugglers. One significant – if inadvertent – victory the cartels have scored is the border tension along what had been a relatively

unguarded and fraternal boundary between the two countries.<sup>142</sup>

Cartels are not just a border problem, though. Their operations have become so extensive, and associated gang culture has spread so rapidly in the United States, that heartland cities are growing increasingly concerned about cartel and gang operations in their areas. All major U.S. cities, and most other smaller cities, are feeling the cartels’ impact as violence increases and their influence spreads.<sup>143</sup> In Atlanta, for example, news organizations have reported that drug gangs are so bold and well armed that “witnesses have mistaken their attacks [on one another] for police SWAT raids.”<sup>144</sup>

So far, however, the political impact of the cartels and gangs in the United States has not risen to the level it has elsewhere in the hemisphere.<sup>145</sup> American politics do not feature the levels of corruption found historically in Mexico and other countries in Latin America. Additionally, although the same cartel members who murder in Mexico operate in the United States as well, thus far the more effective policing power of the United States’ various law enforcement organizations – local and state police, the DEA, the FBI and others – have, by and large, deterred them from the kind of large-scale intimidation and criminality seen in Mexico and elsewhere. There are, however, continued attempts in the United States by narco-gangs to corrupt local law enforcement personnel, sometimes successfully. One official has warned, “There is a concerted effort on the part of transnational criminal organizations to infiltrate the U.S. Customs and Border Patrol through hiring initiatives and compromise U.S. agents and officers.”<sup>146</sup>

While few cartel leaders travel to the United States for fear of apprehension, U.S. law enforcement personnel arrest hundreds of lower-ranking cartel members in this country every year. As an example, after a two-year investigation (Operation X-Cellerator) that spanned three countries – the



**FIGURE 6: U.S. CITIES IN WHICH MEXICAN DRUG TRAFFICKING ORGANIZATIONS OPERATE**



**Alabama**

Albertville, Birmingham, Decatur, Dothan, Huntsville, Mobile, Montgomery

**Alaska**

Anchorage.

**Arizona**

Douglas, Glendale, Naco, Nogales, Peoria, Phoenix, Sasabe, Sierra Vista, Tucson, Yuma

**Arkansas**

Fayetteville, Fort Smith, Little Rock

**California**

Alameda, Bakersfield, Calexico, Chula Vista, El Centro, Elk Grove, Escondido, Fresno, Garden Grove, Goshen, Hacienda Heights, Hayward, Los Angeles, Oakland, Oceanside, Otay Mesa, Oxnard, Perris, Porterville, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Stockton, Temecula, Tulare, Westminster

**Colorado**

Aurora, Colorado Springs, Denver, Fort Collins, Greeley, Olathe, Pueblo

**Connecticut**

Hartford

**Delaware**

Wilmington

**District of Columbia**

Washington

**Florida**

Fort Lauderdale, Jacksonville, Lakeland, Miami, Orlando, Tampa

**Georgia**

Atlanta

**Hawaii**

Hilo, Honolulu, and Kona. Idaho: Boise, Caldwell, Idaho Falls, Nampa, Pocatello, Twin Falls

**Illinois**

Chicago, East St. Louis, Joliet

**Indiana**

Fort Wayne, Gary, Indianapolis

**Iowa**

Des Moines

**Kansas**

Dodge, Kansas City, Liberal, Wichita

**Kentucky**

Lexington, Louisville

**Louisiana**

Baton Rouge, Lafayette, New Orleans, Shreveport

**Maine**

Portland

**Maryland**

Baltimore, Frederick, Greenbelt

**Massachusetts**

Boston, Fitchburg

**Michigan**

Detroit, Kalamazoo

**Minnesota**

Minneapolis, St. Cloud, St. Paul

**Mississippi**

Hattiesburg, Jackson

**Missouri**

Kansas City, St. Louis

**Montana**

Billings, Helena

**Nebraska**

Omaha

**Nevada**

Las Vegas, Reno

**New Hampshire**

Greenville

**New Jersey**

Atlantic City, Camden, Newark

**New Mexico**

Albuquerque, Columbus, Deming, Las Cruces

**New York**

Albany, Buffalo, New York

**North Carolina**

Asheville, Burlington, Charlotte, Durham, Greensboro, Hendersonville, Raleigh, Wilmington, Wilson, Winston-Salem

**North Dakota**

Bismark

**Ohio**

Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton, Hamilton, Toledo, Youngstown

**Oklahoma**

Oklahoma City, Ponca City, Tulsa

**Oregon**

Eugene, Klamath Falls, Medford, Portland, Roseburg, Salem

**Pennsylvania**

Philadelphia, Pittsburgh

**Rhode Island**

Providence

**South Carolina**

Charleston, Columbia, Florence, Greenville, Myrtle Beach

**South Dakota**

Sioux Falls

**Tennessee**

Knoxville, Memphis, Nashville

**Texas**

Alpine, Amarillo, Austin, Beaumont, Big Springs, Brownsville, Corpus Christi, Dallas, Del Rio, Eagle Pass, Edinburg, El Paso, Fabens, Fort Hancock, Fort Stockton, Fort Worth, Hidalgo, Houston, Laredo, Lubbock, McAllen, Midland, Midway, Mission, Odessa, Pecos, Presidio, Rio Grande City, Roma, San Antonio, Tyler, Waco

**Utah**

Ogden, Provo, Salt Lake City

**Virginia**

Arlington, Galax, Richmond

**Washington**

Auburn, Bellingham, Centralia, Ephrata, Everett, Federal Way, Ferndale, Goldendale, Milton, Monroe, Olympia, Port Angeles, Renton, Richland, Seattle, Selah, Shelton, Spokane, Sultan, Sunnyside, Tacoma, Toppenish, Vancouver, Yakima

**Wisconsin**

Milwaukee, Sheboygan

**Wyoming**

Casper, Cheyenne, Rock Springs

Source: Federal, State, and Local Law Enforcement Reporting January 1, 2006 through April 8, 2008.

United States, Mexico and Colombia – the DEA arrested 755 people in California, Miami and Maryland, seized over 59 million dollars in cash, tons of assorted drugs, 149 vehicles, three aircraft, three maritime vessels and over 150 weapons; the operation also disrupted Canadian cartel operations.<sup>147</sup> Operation X-Cellerator is only one of a number of DEA and other law enforcement operations every year. The arrest of so many operatives is an indication of the increased presence of cartel members in the United States and shows that they are increasing their links with local and transnational gangs.

The growth of transnational gangs in the United States, the “retail” arms of the cartels, is a relatively new and dangerous phenomenon in American crime. Gangs, particularly certain Latino gangs, foster violent and amoral gang cultures that extend the reach of the cartels deeply into American civic society. Even some cartels are cautious and tend not to affiliate directly with certain gangs because of their violent and unpredictable nature. An ex-DEA chief of operations has noted:

There is a multitude of evidence that clearly points to the cartels’ reluctance to develop alliances with transnational gangs such as the MS-13; they believe they cannot be trusted and view them as a significant threat. The cartels never miss an opportunity to supply transnational and local gangs through their subordinate operatives working in the United States and throughout Latin America, but they have refused to form alliances.<sup>148</sup>

While the United States has many homegrown gangs operating mostly on local turf, some of foreign origin – particularly Latin-American gangs – have grown local roots but continue to act within a transnational framework. Most gangs, whether local or transnational, retail drugs brought into the country by the cartel networks and contribute to environments that foster violence, instability and

### MS-13

From its beginnings in the Rampart area of Los Angeles in the 1980s, the Mara Salvatrucha (also known as MS-13) has evolved into a sprawling international criminal network of growing sophistication. U.S. law enforcement agencies now estimate that around 10,000 MS-13 members operate in the United States, with approximately 50,000 members worldwide.<sup>151</sup> MS-13 now operates in 30 U.S. states, Canada, Mexico and Central America, including sizable gangs on the West Coast, in the Washington, D.C. area, and throughout the rest of the United States.<sup>152</sup> Gang operations and their members are found increasingly in suburban and rural areas.

According to law enforcement officials, MS-13 is deeply involved in Mexican drug distribution, as well as homicide, prostitution, assault, auto theft, extortion and intimidation, burglaries and petty theft.<sup>153</sup> The gang is a highly effective and well-organized “networked” organization with leaders in Central America, who hand orders down to regional leaders who in turn command members of the clicas, or cells. An MS-13 cell is generally composed of approximately 30 members.<sup>154</sup>

Discipline is severely enforced and includes the murder of informants. LAPD officers report that up to 90 percent of MS-13 members in the Los Angeles area entered the country illegally.

lawlessness in American cities and towns. While widespread instability on the scale of the Mexican cartel war is not present in the United States, some specific areas in American cities struggle to maintain law and order. To average Americans, the most immediately threatening “tactical” manifestations of the cartel networks are the gangs they read about in the local papers or that leave graffiti on the side of the local convenience store.

### TRANSNATIONAL GANGS

The big international gangs now on the scene are different from local gangs in their organization and inclination to violence.<sup>149</sup> They may include

more traditional nationalist groupings like the Russian mafia, but the particular gangs from the Western Hemisphere on which this study focuses are the primarily Latino gangs like MS-13 (Mara Salvatrucha), the 18th Street Gang and other groups like the Mexican Mafia or the Mexikanemi. MS-13 has between 6,000 and 10,000 members in the United States and 18th Street counts an estimated 30,000 U.S. members. There are thousands of other members in Central America (primarily El Salvador, Honduras and Guatemala), where they challenge local authorities for control of streets and towns.<sup>150</sup> The Latino gangs of most concern are distinguished by their closed natures, tight discipline and frequent resort to extreme violence. They have an international reach, running south-north from South and Central America into the United States and Canada. Recruits in some cases have prior Central American military training or combat experience, and their criminal enterprises run the gamut from illegal drugs and extortion to murder for hire, theft and other activities. Beatings, rape, murder and mutilation are commonly used to recruit gang members and to enforce discipline. MS-13 is representative of the kind of societal challenge gangs pose.

#### HOME GROWN GANGS

Local gangs contribute to the transnational gang phenomenon in various ways: by distributing drugs, by identifying and validating recruits, and by contributing to the general atmosphere of lawlessness in gang areas that disrupts communities and strains law enforcement. They are a significant part of the national cartel crime network.

“Homegrown” gangs may be anything from a local group of young men (or women) who band together to hang out and commit petty crimes to local “affiliates” of national groups like the Crips, Bloods, Gangster Disciples, Hells’ Angels and others. They have distinctive colors, tattoos and hand signals that may be spread through the media, word of mouth or Internet social networking sites.

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*Local gangs contribute to the transnational gang phenomenon in various ways: by distributing drugs, by identifying and validating recruits, and by contributing to the general atmosphere of lawlessness in gang areas that disrupts communities and strains law enforcement. They are a significant part of the national cartel crime network.*

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Memberships may number in the tens of thousands. For example, the Black Gangster Disciples, now deeply involved in drug distribution at the retail level, number over 30,000 members. For years, their leader directed them from a state prison cell, from which he routinely ordered murders and made corporate decisions for the gang. Some Gangster Disciples members have entered politics and have been elected to political office.<sup>155</sup> Some experts believe that the Crips and Bloods, as examples of homegrown gangs, are far more organizationally and operationally sophisticated than international rivals like MS-13 and others.<sup>156</sup>

As a rule, local gang members fight over turf, respect or shares in local drug markets. Depending on hometown conditions, gangs may include

## U.S. Counternarcotics Agencies and their Responsibilities

The Obama administration has requested 15.5 billion dollars for drug control funding in fiscal year 2011, to be spread among eight U.S. agencies, among them the departments of State, Defense, Justice, Homeland Security and Treasury, the U.S. Agency for International Development and the Central Intelligence Agency. Together, these cabinet-level departments include the DEA, the FBI, Customs and Border Protection (CBP), the U.S. Coast Guard and Immigration and Customs Enforcement (ICE), as well as little-known but vital organizations like the Office of Foreign Assets Control and the Federal Crime Enforcement Network (FinCEN).<sup>162</sup>

Outside the United States, the State Department has overall responsibility for coordinating counternarcotics programs implemented by the U.S. government, including assistance to foreign counternarcotics programs. DOD has the lead role for detecting and monitoring aerial and maritime smuggling of drugs into the United States and collects, analyzes and shares intelligence on illegal drugs with U.S. law enforcement and international agencies. DOD also provides counternarcotics foreign assistance to train, equip and improve appropriate agencies of foreign governments. To execute DOD's mission, three regional commands focus, to one degree or another, on narcotics and terrorism in the Western Hemisphere; each has its own intelligence staff and its own liaison with other branches of government. The U.S. Southern Command (SOUTHCOM), based in Miami, has responsibility for U.S.

military initiatives in Latin America south of Mexico and the Caribbean; Plan Colombia began as a military-to-military initiative until Colombian political leadership expanded its scope.

The U.S. Northern Command (Northcom) addresses U.S. military assistance to Mexico and provides a U.S. military headquarters to address military issues inside the United States; it does not, however, conduct military operations inside the United States. Finally, the U.S. Special Operations Command (SOCOM) supports with special operations forces the initiatives of the other two commands and maintains an intelligence collection function of its own. U.S. Special Forces trainers, over a decade, were instrumental in assisting in the re-professionalization of the Colombian military during the period when the FARC was apparently succeeding.

The Department of Justice (DOJ) is the key federal agency concerned with law enforcement, and with the drug cartels and gangs specifically. Within DOJ, the DEA, the FBI, the National Drug Intelligence Center (NDIC), the Organized Crime Drug Enforcement Task Force (OCDETF) and the El Paso Intelligence Center (EPIC) all play key roles in national counternarcotics efforts.

Over the past decades, the DEA has emerged as the leading agency in the war against the cartels. With 5,500 Special Agents and 900 intelligence analysts spread over 227 domestic and 87 foreign offices, the DEA has legal authority to pursue cartel members both inside and outside the United States; with the

FBI, it is one of the few federal agencies to be naturally "transnational" itself. Inside U.S. embassies abroad, the DEA is the single coordinating agency for combating illicit drugs. By assisting local police, building cases and supervising extradition of drug kingpins, the DEA has become the United States' transnational "anti-network" against the cartels, providing regional and international connectivity among its offices in U.S. embassies and intelligence centers and prosecutors around the world.<sup>163</sup> In Colombia, for example, the DEA assists Colombian police to locate and prosecute Colombian drug kingpins around the world – kingpins who may be sought by military authorities as well. In the United States, the DEA operates a sophisticated intelligence analysis program that not only serves prosecutions inside the United States, but supports DEA Special Agents overseas. The DEA has trained over 3,000 fully vetted foreign law enforcement officers who serve with the agency abroad in various countries. These officers undergo routine DEA polygraphs and background investigations and undergo extensive training at the DEA Academy in Quantico, Va. Most important, they work in the region with DEA Special Agents and analysts daily. After collaborating closely with DEA supervisors for a period of time, the officers spread their expertise with their home agencies. The DEA vetted officer program, now in place for three decades, is an overlooked model for future security assistance programs in the region.

Within the United States, the DEA operates the Organized Crime Drug



Enforcement Task Force Fusion Center, consisting of six of the seven federal agencies concerned with tracking organized crime, where agencies pool intelligence and conduct analysis. Likewise, the DEA manages the Office of Special Intelligence (OSI) to produce highly classified intelligence on counter-drug and counter-cartel vulnerabilities. Data from the fusion center and OSI are made available to local and state law enforcement through the agency's local and state law enforcement task force program.

Below the federal level, networks of state and local police departments across the country bear the day-by-day brunt of fighting the gangs that conduct the "retail" end of the illegal drug enterprise inside the United States. Local police encounter gang members face to face; most, if not all, large and medium-sized cities and towns have formed special units to deal with the spread of gangs in their jurisdictions. Police department strategies vary, but all share a need for developing intelligence on gang activity and for sharing it with other departments to counter the mobility of gang and cartel operations. There is general agreement, though, that the most important component of the anti-gang fight at the local level is the policeman on the beat who knows his neighborhood, knows the people, and is often the first to detect gang activity, particularly in neighborhoods where the local population is afraid to report it. A recent conference of experienced law enforcement professionals concluded that the most critical single component of anti-gang

police strategies is the "gang cop" on the beat, who interacts with law enforcement and gang members alike; several members pointed out that gang work "takes a certain kind of officer . . . every cop networks for himself; individual initiative counts for more here."<sup>164</sup>

In counterinsurgency as well as in day-by-day policing, the competence and capability of the policeman or policewoman on the street is the key to maintaining public order and ultimately defeating insurgent or petty crook alike. Federal law enforcement agencies, particularly the DEA, FBI and their agents nationwide, are the backbone of U.S. federal effort against the cartels and gangs. The U.S. multilayered jurisdictional system, however, puts local police departments on the front line against the cartel operating units and the transnational and local gangs in what is rapidly becoming a low-level domestic insurgency inside the United States.<sup>165</sup> Whatever national strategy is developed to counter the cartel insurgency, the focus must ultimately include supporting local police departments and the cop on the beat, who confronts the gangs every day.

*There are steps the U.S. government can take – parts of a government strategy – to contain the threat of foreign cartels and prevent the “maturation” of lower-level gangs at home.*

boys and girls, men and women, and all races and economic classes, though males, Latinos and African Americans predominate. Although some may not be as organized or violent as international gangs, “locals” are vicious enough to terrorize neighborhoods and schools, conduct brutal turf wars, and murder one another – and sometimes bystanders who get in the line of fire. Local gangs tend to be geographically based and recruit from local youngsters in high schools or middle schools. Police in one locality have noticed that if membership in a gang begins fairly late in adolescence – at age 16, say – the gang member, if he survives, tends to eventually grow out of membership by his early 20s. Conversely, if gang membership begins early – at age 10 or so – the member tends to remain active in the gang through later life.<sup>157</sup>

Gangs, and particularly the transnational gangs, have spread around the United States because of family relocation; new criminal markets; to find areas with limited law enforcement; and to avoid arrest or retribution by rival gangs. Prisons have become major centers of gang activity, where hardened gang members meet, recruit and even direct gang activities even from inside maximum-security cells. Much gang activity in the American Southwest, including Southern California, is

coordinated from inside federal prisons by the Mexican Mafia’s senior gang members, who direct gang activities and adjudicate gang disputes. One unanticipated consequence of trying to break up gang members by transferring inmates around the country was the spread of gang families as they moved to stay close to incarcerated kin.<sup>158</sup>

Many gangs in the United States, whether local or transnational, are not only growing, but maturing in ways that make them potentially more deadly. John Sullivan, an officer in the Los Angeles Sheriff’s Department and a leading student of gang development, has theorized that gangs grow in three stages, from local, vertically organized “turf” gangs in the first stage, to larger, more horizontally spread and international gangs in the second stage, to a third stage in which the gangs challenge the government for control of territory or sovereignty, as is occurring in Central America. While gangs in the United States range between the first two stages, the movement across the Mexican-U.S. border of the cartels, and particularly bi-national gangs like the Barrio Azteca, may presage a movement in some areas to the third stage.<sup>159</sup> One analyst has described the “third stage” as a form of the criminal insurgency mentioned earlier:

Third-generation gangs stand astride the line separating crime and insurgency. These organizations go to such lengths to protect their highly lucrative economic activities that they end up undermining the authority and legitimacy of the state. They murder police officers, soldiers, and other authorities that try to interfere with their business; they infiltrate, corrupt, or otherwise weaken government institutions; they use intense, calculated violence to carve out geographic zones where they can dominate the population and operate completely free of state control. For the most part, third-generation gangs do this for profit rather than ideology, but their actions are nonetheless deeply corrosive to state sovereignty, licit economic activity, and

public security. In other words, while third-generation gangs often lack the explicit political agenda generally associated with insurgencies, their activities thus have many of the same political effects as an insurgency.<sup>160</sup>

While the Mexican cartels are clearly moving to the “third generation” model, and most gang activities in the United States fall generally in the second generation class, law enforcement officials are quick to point out that gangs do not follow any logical progression or doctrine. A single gang in a specific locality may be in all three stages at once, depending on local conditions. Some gangs in the United States are capable today of moving to some parts of the “third generation” model.<sup>161</sup>

All these trends are of serious concern. Yet while many gangs in the United States are becoming more sophisticated and threatening, this need not be a deterministic assessment. There are steps the U.S. government can take – parts of a government strategy – to contain the threat of foreign cartels and prevent the “maturation” of lower-level gangs at home.







**CHAPTER IV:**  
A U.S. STRATEGY TO COUNTER THE CARTELS

S E P T E M B E R 2 0 1 0

**Crime Wars**  
*Gangs, Cartels and U.S. National Security*





#### IV. A U.S. STRATEGY TO COUNTER THE CARTELS

To counter the threat posed by cartels and other transnational criminals in the Western Hemisphere, the United States should defeat them within U.S. borders as well as help friendly countries in the region to defeat the cartels in their home nations. The strategy therefore needs mutually supporting domestic and foreign campaigns.

At present, the United States, its friends and its allies confront an international, criminally motivated, networked insurgency that has gained momentum in past decades. This is most apparent in Mexico, but is generally true everywhere in the hemisphere – including the United States – except in Colombia, where the cartels and gangs are on the defensive. While some U.S. neighbors to the south are grappling with fundamental threats to their civic societies, the United States is so far fairly well insulated because its police forces and other law enforcement professionals and judiciary, at all levels, have protected it.

The insurgents, in this case criminal cartels, can be defeated; the Colombian experience shows that governments can come back from almost literally the brink of anarchy and re-establish the rule of law. At this writing, Mexico is facing such a test and, from all appearances, is only at the beginning of its efforts. Whether the United States can recognize the challenge and react effectively is not yet known. The enemy in this case has many forms, from the Venezuelan government that supports the drug cartels and Iranian adventurism in this hemisphere to the local thugs on American streets, but they are all parts of a hemispheric criminal network that is challenging the safety of U.S. communities and even U.S. political processes. As the experts quoted here have pointed out, cartels ultimately attempt to corrupt host governments.

Multiple elements of this strategy will require the U.S. government to commit more resources to programs. In the words of former director of National Drug Control Policy, GEN Barry

McCaffery, the United States must acknowledge the enormous social, medical, legal, economic, diplomatic and security reverberations that sweep across borders and embrace entire populations.<sup>166</sup> Investments now will prevent the need for bigger investments in the future, both domestically and abroad. Strengthening states will be less costly than dealing with their failure. Breaking up gangs will likewise be less costly than trying to reverse more violence in the U.S. homeland.<sup>167</sup>

### Foreign Policy and Strategies

The rise of drug-fueled insurgency in Latin America, supported by a network of states, guerrilla groups and cartels, poses a strategic threat that is part geopolitical and part criminal. The United States should refocus policies from a “war on drugs” to a wider, hemisphere-wide strategy with two aims. The short-term objective for U.S. policy should be to sustain positive relationships with Latin American states, contain potential threats from the growing Iranian presence in the Andean Ridge region and assist other countries to overcome threats posed by the cartels and their associated gangs. Plan Colombia would provide a model for this phase. The long-term objective for U.S. policy in the region should be to assist in the emergence of strong, economically prosperous and democratic allies that can contain and defeat crime and insurgency under the rule of law.

Generally, U.S. operations against the cartels overseas require partnership and long-term engagement. Sustained engagement in the region is key. Judging from the Colombia model, U.S. engagement need not be extravagant, just stable, proficient and applicable to local circumstances. Janice Elmore, a retired State Department officer with long and continuing experience in Central and South America, notes, “Despite publicity surrounding events in Mexico, continued deterioration of security in Central America, and the growing influence of other countries in South America, U.S. funding priorities are still centered

on the Middle East and South Asia. [ . . . ] The Western Hemisphere is not a funding priority. It is not even a blip . . .”<sup>168</sup>

The United States should adopt a hemispheric counter-cartel strategy with five key elements:

**1. Integrate military and police activity into a broader political approach that emphasizes the rule of law as an alternative to the rule of force.** Because the cartels and gangs operate on such a large scale, both in their host countries and internationally, counter-cartel strategies must first be political strategies. This is true in the United States as well as elsewhere. Since the cartels’ survival depends on controlling regions where governmental control is nonexistent and populations may be impoverished and alienated, successful anti-cartel strategies are fundamentally counterinsurgency strategies *developed by the concerned states themselves* and supported by the United States.

**2. Help friendly countries in the hemisphere to build more functional state institutions, particularly courts, and stimulate economic growth.** The United States should broaden its assistance to the region to include police and judiciary functions. For example, as part of Plan Colombia, a *Colombian-developed* counter-cartel strategy, the United States provided the Colombian National Police (CNP) with telecommunications intercept equipment and, working with the DOJ, helped the CNP build a judicial process for wiretap investigations. The result was a powerful tool that assisted indictments against cartel leadership and extraditions to the United States for prosecution. Likewise, assisting host nations to build strong, non-corrupt judicial systems is crucial to assisting or restoring stable governments in areas threatened by cartel or other insurgent violence; civil order is unlikely to be restored if honest policemen are forced to turn over criminals to corrupt courts and judges.



## The Case for a Sustained Policy

Regardless of what specific policies the United States incorporates into its counter-cartel strategy, it is crucial that they be sustained long enough to allow them to work. Ex-DEA Chief of Operations Michael Braun has commented:

[U.S.] counterdrug strategy changes drastically with each administration, and it often changes in ways that significantly disrupt federal law enforcement's ability to fulfill the counter-drug mission safely and effectively. This has always resulted in lost ground, lost opportunities and wasted resources and efforts. It lacks consistency over the long term, and is constantly eroding the foundation of federal drug enforcement . . .

As examples, the DEA spent over eight years building a hybrid law enforcement, para-military capability from 1986 to 1994 in support of Operations Snowcap and Cadence . . . The program developed into a glowing success after a number of setbacks during the first three years, but was disbanded during

the Clinton administration. Consequently, there remains no ground end game capacity throughout Central America and the Caribbean, in much of Mexico, and in most of the Andean Region to this day.<sup>1</sup>

Operations Snowcap (1988) and Cadence (1991) were operations conducted by an all-volunteer cadre of DEA agents in the Andean Ridge and Central America, respectively. Various experts have agreed that these operations had impressive "bang-for-the-buck" results for the U.S. government. Despite being a small group working on a very limited budget, the team of temporary-duty agents was able to seize and destroy tremendous amounts of drugs. Both continue to provide guidance for SOUTHCOM military support,<sup>2</sup> but their lessons have largely been lost. Political preferences have led to the end of other programs:

In 1994, the DEA established 24 teams of specially trained and equipped Special Agents to work with small to mid-sized local and state law enforcement agencies in the United States to

tackle their drug related gangs and appreciably increased levels of gang violence. The Mobile Enforcement Team (MET) program was a glowing success, and was warmly embraced by local Chiefs of Police and Sheriffs all across America. In 2005, 2006 and 2007 the Bush administration slowly whittled away at the program, insisting that gangs and gang violence should be handled by local, state and other federal law enforcement agencies. The problem remains: most small to mid-sized law enforcement agencies lack the expertise and resources necessary to counter the threat posed by drug gangs, and the FBI, ATF and ICE only participate in gang initiatives in major metropolitan areas.<sup>3</sup>

1. Michael Braun, *Successfully Attacking Drug Kingpins; Challenges and Solutions*, (July 2010): 8.

2. David G. Bradford and William W. Mendel, *Interagency cooperation – a regional model for overseas cooperation*, National Defense University (1995): 12.

3. Michael Braun, *Successfully Attacking Drug Kingpins; Challenges and Solutions*, (July 2010): 8.

Other U.S. agencies and U.S. contractors can provide material assistance, training, partnership and, when authorized, direct help in certain specified areas like collection of certain kinds of strategic intelligence. At present, key aid responsibilities are split among the State Department, DOD and DOJ. U.S. security assistance – the province of State – can provide helicopters, go-fast boats and rolling stock critical to giving local police mobility equal to, and hopefully better than, that of the gangs.

Very importantly, the DOD-DOJ relationship needs to be rethought, with U.S. military forces acting in support of DEA and FBI agents and host nation forces when required.<sup>169</sup>

U.S. efforts should have a "minimal footprint" appropriate to political considerations in the area, so as not to seem invasive. The U.S. assistance effort in the Philippines and long-running Special Forces advisers in Colombia can serve as models,

as opposed to operations in Iraq and Afghanistan. U.S. military planners should consider other kinds of low-key integration of military advice and capabilities into host country security systems, and – given likely future challenges worldwide – update present counterinsurgency doctrines to include the selection and training of military advisers.

Outside the security arena, though, the long-term solution to neuter drug cartels is stimulating economic growth and development and closing the gap between rich and poor. In that regard, U.S. aid has historically and demonstrably not been effective. Assisting allied states to generate employment and increase opportunities is key to ultimately cutting off the flow of recruits to criminal cartels, but programs that only benefit elites without income distribution will hurt more than they help; “trickle down” economics has been a historic failure in Latin America, and the United States should rethink the manner in which it provides economic aid.<sup>170</sup> One way the United States can help macro-economic development is by providing high quality advisers, as it did to Taiwan, South Korea, South Vietnam and Chile in past decades.<sup>171</sup>

**3. Enhance direct attacks on the cartels.** The United States and its allies should increase their capability for multi-agency field operations as well as for the professionalization of host country military forces. Military professionalism is crucial for operations that require holding ground while the reinstitution of the rule of law is begun by other national agencies. Over the past decades, U.S. law enforcement professionals have developed successful operational techniques that cartel leaders fear: partnerships with effective local police (often with U.S. training), expertise with judicially approved wiretaps and electronic surveillance, rewards programs that make criminal bosses vulnerable to betrayal and, above all, when local laws permit, extradition to U.S. courts and prisons. The DEA already operates throughout the region and has firm relationships with counterpart agencies;

additionally, the agency has worked closely with U.S. combatant commands, notably SOUTHCOM, where its powerful extraterritorial jurisdiction authority supplemented the military’s own programs to help U.S. allies in the region. The DEA should continue to advise and assist host country police and counternarcotics forces, but the size of the agency should be increased. With 5,500 agents spread worldwide – including the United States – the agency that plays such a key role in the ongoing war with the cartels is spread too thin.

**4. Attack the cartels’ financial networks and money-laundering capabilities.** This is a key strategy that requires more resourcing at the U.S. Treasury Department, where relatively miniscule additions to analysis and intelligence staffs would return large strategic gains. Cartel leaders fear U.S. indictments and extradition to U.S. courts; extradition, exposure and seizure of “dirty” money from criminal operations are all effective strategies that identify kingpins and threaten them with trials in U.S. courts and long terms in U.S. prisons.<sup>172</sup> The United States has learned to use financial analysis and indictments as weapons against the cartels, even when they are beyond the immediate reach of U.S. law. Michael Braun has commented:

Latin American cartel minions are routinely investigated and brought to justice in the United States, but the cartels’ corporate leadership learned years ago to stay on their own soil where they can command and control their global operations with little fear of . . . intervention by law enforcement and the judicial process in their own countries. It is U.S. federal law enforcement and prosecution that the cartels fear most in their own countries as well as [in the United States]. Most cartel leaders, as well as powerful state actors like Hugo Chávez and Evo Morales in Venezuela and Bolivia, respectively, cannot get out of their heads the picture that appeared in newspapers all around the globe of three DEA Special Agents . . . escorting Panamanian dictator Manuel Noriega into the back of a C-130 aircraft for

## International Efforts to Counter Criminal Networks

### THE UNITED NATIONS

The United Nations established a number of initiatives to deal with organized crime.

The Palermo Convention, which was signed in November 2000 and entered into force in September 2003, has traditionally been the main international instrument to combat transnational arms trafficking and human trafficking and smuggling.<sup>1</sup> The United Nations Convention against Corruption (UNCAC), which entered into force in December 2005, requires signatory countries to criminalize a wide range of acts of corruption – not only bribery and embezzlement, but also influence trading and “concealment and laundering of the proceeds of corruption.”<sup>2</sup> UNCAC parties agreed to cooperate in the prevention, investigation, and prosecution of corrupt individuals. Asset recovery, a fundamental principle of the convention, allows governments to repatriate proceeds of corruption concealed in foreign jurisdictions, and is particularly important for developing countries whose national coffers have been depleted by the practice.

Other U.N. mechanisms can provide support to counter-crime initiatives even when it is not their primary mission. A recent report by the Stanley Foundation advocates that regional governments employ “dual-use” assistance from the U.N. resolution on nonproliferation of WMD, UNSCR 1540, to “address capacity shortfalls [...] and strengthen the competencies of government institutions” against things like money laundering and human and arms smuggling.<sup>3</sup> This can be particularly useful to assist regions that require very high levels of multifaceted support, like Central America.

### INTERPOL

Interpol is not a supra-national police agency, but rather a cooperative network linking the police agencies of various countries to foster collaboration. With headquarters in Lyon, France and specialized country bureaus (National Central Bureaus or NCBs), the organization currently counts 181 member agencies.<sup>4</sup> Interpol has also signed a variety of cooperation agreements with other organizations, such as Europol or, more relevantly, the U.S. Department of Treasury, with whom it pledged to create a database of individuals and organizations providing financial assistance to terrorist groups.<sup>5</sup>

Organizations like Interpol allow countries to establish common information systems. In 2002, for example, Interpol announced the launching of the Internet-based Global Communications System, a platform to facilitate rapid and secure exchanges of information between the police forces of member countries. It also enables countries to cooperate despite what can be marked political differences, as when the United States and France worked together on counterterrorism measures in the mid-2000s despite their strong disagreements over the war in Iraq.<sup>6</sup> But the diversity among the member agencies often hinders effectiveness because of pervasive mistrust. The United States in particular often operates unilaterally, trusting its own abilities far more than Interpol’s.

Although it is represented by a sub-directorate for the Americas, Interpol “pursues specific international criminals, and does not provide a broader focus on common threats in the hemisphere.”<sup>7</sup> Furthermore, although Interpol and the Organization of

American States (OAS) have agreed to exchange information, this actually happens very seldom and slowly due to incompatible information technology systems.<sup>8</sup>

### UNOFFICIAL INFORMATION-SHARING CHANNELS

When official multilateral organizations fail to produce visible results, resourceful individuals find other ways to establish reliable associations. Instead of going through Interpol, for example, law enforcement agents in the United States, Mexico and beyond have formed the International Latino Gangs Investigators Association (INLGIA), which has served to cement trust between officials, particularly when they involve countries where corruption is widespread.<sup>9</sup>

1. United Nations Office on Drugs and Crime, *United Nations Convention against Transnational Organized Crime and its Protocols* (Accessed August 2010), <http://www.unodc.org/unodc/en/treaties/CTOC/index.html>.

2. See David Asher, *Countering the Business of Irregular Warfare*, presentation to author (August 2010).

3. Brian Finlay, *WMD, Drugs, and Criminal Gangs in Central America: Leveraging Nonproliferation Assistance to Address Security/Development Needs with UN Security Council Resolution 1540*, The Stanley Foundation (August 2010): 4.

4. Mathieu Deflem, “Global Rule of Law or Global Rule of Law Enforcement? International Police Cooperation and Counterterrorism,” *Annals of the American Academy of Political and Social Science* 603 (January 2006): 240-251.

5. *Ibid.*: 245.

6. *Ibid.*: 248.

7. Sarah García, “Multilateral Cooperation: A New Look at Information Sharing,” *Inter-American Defense College Monograph*, May 2005.

8. *Ibid.*

9. Comments at CNAS workshop (10 December 2009).

extradition to the United States. They understand clearly that the powerful conspiracy and extra-territorial jurisdictions that [the U.S.] Congress created for the agency (DEA) is the “long arm” jurisdictional authority that can ultimately lead to their extradition to the United States and trial in a U.S. courthouse. Over 85 percent of all extraditions of cartel leaders, as well as the FARC, are the result of complex DEA conspiracy investigations that have led to judicial criminal indictments in [the U.S.]. In fact, the top 50 members of the FARC Executive Secretariat are under indictment . . . in the U.S. District Court for the Southern District of New York.”<sup>173</sup>

U.S. officials can build cases against cartel transactions using the Terrorist Finance Tracking Program developed by the Treasury Department after 9/11 to identify, track and pursue foreign terrorists. This tool interfaces with the *Society for Worldwide Interbank Financial Telecommunication* (SWIFT), a member-owned cooperative of over 9,000 financial organizations in 209 countries that exchange millions of standardized payment messages daily. Additionally, the Financial Action Task Force (FATF), a multilateral organization, supports a non-binding anti-laundering program subscribed to by a majority of the countries in the world. After several years of denying access to U.S. investigators, the European Union only recently re-granted SWIFT European access.<sup>174</sup> As important is gaining access crucial to databases in Caribbean banks and closing other loopholes, including those in the United States, a safe and stable place for crooks to “park” their money. In one study, the United States came in second out of five desirable locations for money laundering: behind Luxembourg and ahead of Switzerland.<sup>175</sup>

**5. Adapt U.S. overseas missions to better respond to transnational crime and other transnational threats.** To effectively partner with regional allies and defeat the cartels, the United States should begin building or reinforcing its own hemispheric

“networks” to enhance flexibility and responsiveness of U.S. policy execution in the region. Because U.S. support to local governments and institutions must be tailored so that they meet local conditions effectively, one step could be to decentralize, to the maximum extent possible, planning and execution of the appropriate range of regional diplomatic, military, law enforcement and economic support downward to regional planners and the U.S. mission. U.S. ambassadors in the region should receive more capability to integrate U.S. agency support. As the senior U.S. representative in the area, an ambassador should coordinate and oversee the activities of all agencies of the American government represented in the local U.S. Mission, and should be supported by an integrated staff answerable to him or her.

### U.S. Domestic Policies and Strategies

The U.S. domestic response to the challenge of the cartels and gangs falls into three categories. The first is the challenge to public order posed by the cartels themselves and their associated gangs; they must be confronted, indicted and prevented from consolidating their criminal “businesses” as they do farther south. Second, the United States should ramp up simultaneous campaigns to reduce drug consumption and treat abusers. Third, the United States should support domestic programs to roll back the influence of local gangs on communities and, of particular importance, prevent gang recruitment in schools. To achieve these three broad domestic policy goals, several concurrent legislative and policy initiatives are necessary.

**1. Enhance federal support to local law enforcement.** Local police departments, backed up by state and federal assistance, are the front line against the cartels and gangs. In the community, police departments compete for tax dollars with other local agencies: fire departments, schools, libraries and other essential services. The very thing that makes police vulnerable to local pressures, though – their closeness and sensitivity to community issues – also



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*The very thing that makes police vulnerable to local pressures, though – their closeness and sensitivity to community issues – also makes them the most effective law enforcement agencies in the fight against cartels and gangs.*

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makes them the most effective law enforcement agencies in the fight against cartels and gangs. They are familiar with the streets, the people, the neighborhoods in which gang activity is most likely to take place; they are the arm of government that daily makes contact with the public, and particularly the public most likely to be affected by cartels and violent gangs. A nationwide law enforcement network, including federal and state law enforcement capabilities but organized and focused on supporting local police departments would be a potent “anti-network” against the cartels and gangs.<sup>176</sup>

## ***2. Develop and disseminate better intelligence.***

To better counter cartels and gangs, U.S. law enforcement officers need more effective, timely and distributed intelligence. On the front lines, local police departments struggle to exchange and analyze data on a regional and national basis, competing with criminal cartels and gangs that may have no practical limit on funds, mobility or access to modern electronics. To get more high-level national intelligence to local police, the DEA has 225 local offices throughout the United States and has been operating a local and state task force program for over 40 years, with local and state law

officers assigned to work with DEA Special Agents. Likewise, FBI field offices interface with local police, as does ICE. However, this is not yet a fully networked organization.

Federal legislation passed after 9/11 mandated the development of a law enforcement “information sharing environment” and an Information Sharing Council (ISC), which in turn led to the establishment by the Department of Homeland Security (DHS) of a nationwide network of 58 “fusion centers” to fuse and send on law enforcement-related information and intelligence to agencies that voluntarily participate. Fusion centers have proliferated rapidly but continue to face shortcomings:

Typically, fusion centers consolidate resources from various participating agencies into a single primary facility, occasionally with additional satellite locations. The intent of the collocation is to support information-sharing and rapid analysis by allowing access to multiple agency sources in near real time. However, even now, information-sharing is often handicapped by stand-alone, single-agency data terminals or computers, which prevent rapid and automatic data analysis, forcing users to walk from terminal to terminal to integrate data. These challenges could easily be overcome through the employment of modern, secure, and open architecture information technologies. Whether bureaucratic politics and outdated administrative policies can be modified rapidly enough is another question. In contrast, Mexico is developing a police data sharing system called “Platform Mexico,” a nationwide integrated criminal information system to track criminal statistics and move records and intelligence among police and security forces. While the Mexican federal system differs in many ways from that of the United States, police professionals on both sides of the border recognize the value of rapid information transfer and intelligence-sharing to stay ahead of the cartels.<sup>177</sup>

According to law enforcement officers in the field, fusion centers face other problems. They remain underfunded and undermanned, and the fact that participation in programs is voluntary across jurisdictions contributes to difficulties in sharing information.

In addition to information *sharing*, local police departments need access to better *analysis* of data, combinations produced by their own analysts in their own departments, and aggregated data pushed down to the cop on the beat from federal levels; DEA and FBI assistance is invaluable, but more can be done.

The DOJ El Paso Intelligence Center has the potential to become a national “super fusion center.” EPIC was created in 1974 and is designed to collect, process and disseminate information about illicit drug trafficking and currency movement, human smuggling, weapons trafficking and other activities. EPIC includes representatives from virtually all federal agencies concerned with illicit drug trafficking and anti-cartel operations. It recently initiated a Border Enforcement Coordination Cell (BECC) and a Homeland Intelligence Support Team (HIST) to share information among local, state and federal agencies. EPIC’s analysis capability nonetheless remains limited: for example, it does not process all drug seizure information, it does not analyze fraudulent documents, and it works on information that is not always current.<sup>178</sup> This analysis capability should therefore be expanded and it should be joined to an enlarged and more inclusive national fusion center network. EPIC should expand its access to the Homeland Security Data Network (HSDN) and continue progress in standardizing data processing languages and programs with the aid of federal resources. As already recognized by DOJ, EPIC should also become the hub for the High Intensity Drug Trafficking Area (HIDTA) program’s 32 autonomous task forces.<sup>179</sup>

Generally, law enforcement officers need: (1) the integration, locally and nationally, of intelligence systems, video and databases; (2) ways to deal with security, privacy and OPSEC (operations security) on a local and national level; (3) distributed analytical tools and network analysis capabilities; and (4) more powerful search engines on open and protected networks. The goal is to push nationally accessible and standardized systems down to the lowest possible levels of police organizations – precinct level or lower, in some cases.<sup>180</sup>

**3. Support community knowledge-sharing of counter-gang strategies.** While police and other law enforcement agencies are the “thin blue line” that deals with the direct effects of crime, widespread community effort is needed to prevent or moderate gang-related culture in local neighborhoods. Federal assistance to communities in the form of knowledge-sharing, gang analysis and community development should also be available on an as-needed or lessons-learned basis. A federally facilitated program to help communities and towns learn from others that have successfully defeated gangs would be valuable to establish networks of towns and cities and even rural counties hostile to the establishment of gang infestation. For example, the city of San Jose, California, has an active and long-term gang prevention program based on prevention, integration and reentry of gang members into society.<sup>181</sup> Until entire communities have been effectively “gang-proofed,” violent gang and cartel members may simply shift from place to place. One law enforcement official noted that “when we ran the gangs out of New York, the murder rate went up in New Jersey.”<sup>182</sup>

**4. Reduce the level of illicit drug use in the United States, and therefore the market for illegal drugs that enriches cartels.** Drug consumption can be reduced over time through the right combination of prevention, treatment, punishment and interdiction. Doing so not only addresses a major health problem in the United States, it also attacks

directly the cartels' primary source of funding for their illicit operations and increases their vulnerability to law enforcement initiatives by forcing them to diversify and take risks. There has been some success. Although a 2008 study by the World Health Organization said the United States led the world in percent of population that has used cocaine (over 16 percent) or marijuana (over 42 percent),<sup>183</sup> ONDCP reported in 2009 that drug use was down in the United States among teenagers and working-age adults, a trend that has continued since 1997.<sup>184</sup>

Shrinking the U.S. drug market and reducing the cash flow to the cartels should be a major centerpiece of U.S. domestic policy, but with an important caveat. Reducing illicit drug use in the United States is important for a number of reasons – public health and reducing crime are two – but attacking drug distribution or cutting drug profits alone will not end the threat of the cartels and gangs. Many cartels and gangs are not only highly adaptable and networked, they are also enterprising, *permanent* organizations, not just casual gangs of smugglers. When drug profits fall, the record indicates they will adapt to find other “markets” to replace lost revenue.

*Keep up the pressure on interdiction.* As interdiction programs in the region improve, hundreds of tons of cocaine and other drugs that would otherwise be going into American veins have been stopped and seized before they reach U.S. borders. Sea interdiction has been successful enough that the cartels, as previously explained, shifted to overland routes or are building submarines. Interdiction programs have beneficial effects for the United States and also support allied states in their operations against indigenous criminal networks. The most serious Colombian cartels have been broken up and Colombia is in the latter stages of recovering its national sovereignty. Hundreds of cartel and gang minions and some kingpins are in American jails; others are in host nation prisons or dead.

In addition to vigorous interdiction, the United States should *provide treatment for drug abusers*. One of the ironies of the nation's struggle with illegal drugs is that it already knows how to decrease drug use. In fact, under one U.S. president, drug use was actually reduced; Richard Nixon in 1972 established a national program that combined enforcement and effective treatment centers that lowered drug use nationwide.

In the first two months of 1973, the number of narcotics-related deaths in New York City, Cook County (Chicago), Washington and San Francisco declined 48 per cent compared with the same period in 1972. And, according to the new Drug Abuse Warning Network (DAWN), the number of drug-related visits to hospital emergency rooms fell by 4 percent. In New York, meanwhile, the number of drug-related hepatitis cases plunged from 386 in the first quarter of 1971 to 318 in the same period in 1972 and just 89 in 1973.<sup>185</sup>

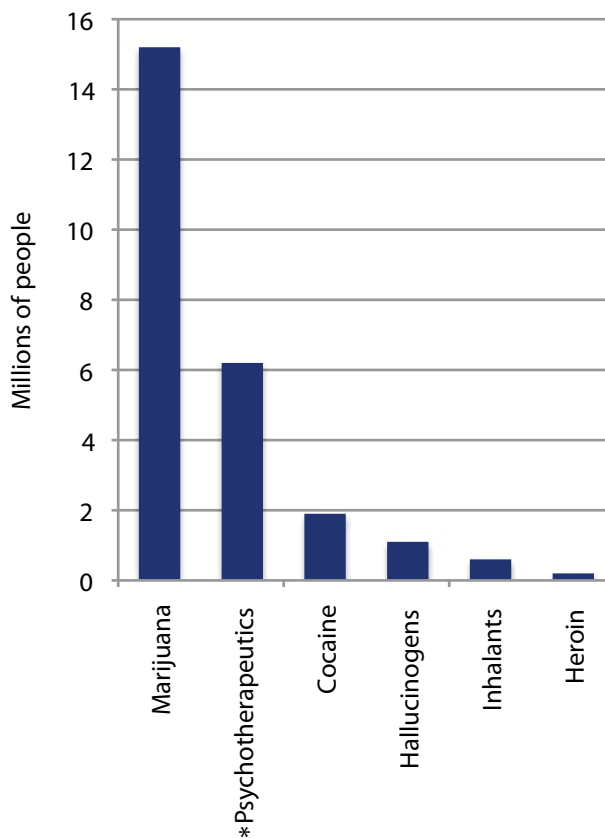
However, the picture of drug abuse as a public health problem, versus a criminal act, eventually eroded in the political wars that followed the Nixon resignation. As drug use became more widespread, a backlash against treatment grew and endured among the voting public and its representatives. The Obama administration's recently published National Drug Control Strategy seeks to restore the general balance of treatment and punishment. A national drug treatment program, open to abusers at all levels and ages, should be begun as a necessary part of the war against the cartels.

In addition, the government should federally finance local drug courts. Many states now operate unique and highly effective “drug courts” that bring together intervention teams of treatment, education, law enforcement and court probation personnel to aggressively deal with first-time offenders. Under the direction and close supervision of a drug court judge, a person arrested on drug possession charges passes through a rigorous

intervention program managed by the court that typically lasts for several months. If the subject successfully completes the intervention program, charges are dismissed and the arrest record is expunged. When used, these courts have low recidivism rates.<sup>186</sup> These local programs are subject to the pressures of local budgets that compete with schools, police departments and other municipal services. With their detailed intervention programs, drug courts are relatively expensive – but effective.

No subject is liable to be more controversial than the question of whether to legalize drugs in the United States. The data contained in this report disproves the often-repeated belief that legalization alone would defeat drug cartels. As stated previously, the drug cartels have reached a stage of development that would ensure their continued operation during any transition to legalized drugs on the part of the United States and beyond. It is highly unlikely that the U.S. legalization of drugs – some drugs but not all, or even all drugs – would end the threat from these organizations. Cartels have become multifaceted criminal enterprises dedicated to making profits from any activity that brings in money; although the majority of their income comes from illicit drugs, they also engage in other violent and white-collar crimes. The assorted cartels in this report – the Mexican cartels, Colombia’s FARC and other drug trafficking groups – are a new kind of transnational criminal organization, taking advantage of the global black economy to profit not only from drugs but from human trafficking, prostitution, identity theft, arms sales, illicit financial transactions and so forth. They also engage in widespread kidnapping, extortion, robbery, intimidation and other kinds of crime. They have powerful state sponsors in a global network of illicit commerce. For the United States to turn to legalization as a *primary strategy* against the cartels would be a leap in the dark, particularly when other strategies to decrease drug

FIGURE 7: PAST MONTH ILLICIT DRUG USE IN THE UNITED STATES, 2008



Source: U.S. Health and Human Services Department

\* Includes pain relievers, tranquilizers, stimulants and sedatives.

use, as discussed in this section, have been shown to be effective.

**5. Begin a consistent, long-term national campaign to reduce the attractiveness of gang culture, including illegal drug use, to American teenagers.** At one of the conferences supporting this study, an experienced policeman specializing in gangs said, “We have national campaigns to stop smoking and to use our seat belts. Why can’t we have a national campaign to get our kids to stop thinking gangs are cool?”<sup>187</sup> He has a point. In a relatively short time, public opinion in the United States has discouraged the use of a legal drug (tobacco),



discouraged driving while intoxicated (MADD), built public pressure to use seat belts and child seats in cars and influenced a number of other public policies to a far greater extent than any sustained effort to discourage illegal drug use or gang recruitment among the most vulnerable members of the U.S. population.

**6. *Fight gangs in schools.*** In the United States, the spread of youth gangs that facilitate the destructive use of illegal drugs and violence not only undermines the future of too many young people and the security of local streets and neighborhoods, it directly threatens the long-term security of the United States by providing environments conducive to violent activities. In a highly networked world, challenges do not stop at borders, city limits or indeed inside U.S. schools. Gangs of all types actively recruit in public and private schools at all levels: high, middle and elementary. They use a variety of techniques, including positive incentives, intimidation and social media. Despite various state laws against gang recruitment, gangs continue to attract students at younger and younger ages.<sup>188</sup> Gang recruitment of the next generation of American children should be addressed as a national challenge. There are techniques that work and are known to work to counter gang influences; among them are School Resource Officers (SROs) to identify gang activity in schools and fight gang recruitment, increased parental involvement at early stages, school uniforms to deny wearing of gang “colors” and glamour and a host of other law enforcement and social preventive measures.<sup>189</sup> The problem, all too often, is local. Obstacles include community reluctance to admit the presence of gangs, pressure on local taxes to maintain funds for SROs, inadequate funds or time to involve parents – a key and often overlooked expense – and disbelief that gang activity could be going on so close to home (or an unwillingness on the part of parents to accept gang involvement).

**7. *Reform immigration policies.*** Immigrants historically have been assets for the United States; new populations bring new energy and youth to the American marketplace. A large illegal population, however, also inadvertently provides cover for criminal elements, who burrow into neighborhoods and then prey on immigrants who are reluctant to seek protection from law enforcement agencies. Since the economic crisis, DHS reports that over 1 million undocumented aliens have departed, leaving the country with an undocumented population of around 10 million.<sup>190</sup> The illegal immigrants that remain cannot safely return to their home countries, nor can they seek the protection of the law when victimized by gangs or cartels. Setting aside arguments about the contribution of illegal immigrants to society and their contributions to the national economy, we must recognize that cartels and gangs cannot be allowed to lodge with, and prey upon, communities of immigrants who cannot effectively communicate with law enforcement. The possibility of having a permanently alienated Latino community in the United States represents a serious strategic vulnerability that should be addressed by system reform and assimilation as rapidly as possible.

**8. *Reform prisons.*** Prisons play a critical role in gang recruitment and direction. In a sense, prisons have become the “graduate schools” of gang life, and prison gangs play active roles in recruitment of gang members and management of gang territories. Cartel and gang leaders often continue their activities from prison itself. Younger first-timers are often recruited into gangs while serving alongside more hardened offenders; prisons often lack education or job training; and former inmates are released with little or no prospects for reentering society.<sup>191</sup> These are self-defeating practices. It makes little sense to return criminals to the streets more hardened than when they were initially incarcerated, nor is it cost-effective to pay more for prisoners than for college tuitions.

The ability of cartel and gang leaders to continue to operate from prison should be curtailed, by geographical space or some other method to prevent their communication with their organizations. Prison regimens must become more focused on rehabilitation, job-training and education – nowhere else are small-time gang members so concentrated and under the control of law enforcement bodies that can rehabilitate potential citizens. This does not mean that everyone can be rehabilitated, experience is that hardened criminals should be locked away and their ability to supervise gangs “outside” should be restricted. But rehabilitation should be the model for the largest number of the over 1.5 million prisoners in the United States, the highest number in ratio to population in the world.<sup>192</sup> Lower recidivism seems dependent on training and education programs in detention facilities as well as effective reintegration of released felons back into society, including securing a job or job training, an education and so forth.<sup>193</sup>



**CHAPTER V:**  
CONCLUSION



S E P T E M B E R 2 0 1 0

**Crime Wars**  
*Gangs, Cartels and U.S. National Security*





## V. CONCLUSION

At the beginning of this study, we quoted Moisés Naím, the author of *Illicit*, who said that ultimately it is the fabric of society that is at stake in the struggle against global corruption. With no intent of sounding alarmist, we believe he is correct – and certainly residents of Guatemala City, Tegucigalpa, Managua or Barranquilla would agree. The Mexican and Colombian cartels, and the corrupt government officials who export the FARC's products under the once-proud flag of Venezuela, are just the first wave of criminals to take advantage of the social and technological opportunities of the 21<sup>st</sup> century.

There will be others, and in fact there are others now around the globe. The Ukrainian and Russian mobs, Hezbollah and the Taliban are symptomatic of transnational criminal networks that weave in and out of states and governments, enabled by the latest technologies and increasingly allied with other extremists or political insurgencies. As one of our contributors has pointed out, the same forces that fight international drug cartels are also the forces that fight ideologically based terrorism and insurgents. Distinctions between these groups are becoming less and less meaningful.

Criminal networks have grown in number and sophistication to the point that some threaten national security. They challenge the authority of states on various levels – through wholesale drug corruption, neighborhood intimidation, murder of government officials and candidates for public office, and kidnapping of citizens.

To overcome this challenge, the United States must not only adopt new approaches but also expand those approaches that already work. The DEA and other federal agencies have created effective paramilitary, global anti-gang forces. The U.S. government has demonstrated its ability to assist its allies effectively when they request help, as in the case of Colombia. The United States has

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*To overcome this challenge, the United States must not only adopt new approaches but also expand those approaches that already work.*

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the knowledge it needs to root out the cartels' minions, make its cities and schools unattractive to gangs and decrease drug use in the United States – and it has done so before. The government knows how to assimilate new immigrants and win them to lawful citizenship – because it has done that, too. The question is whether the U.S. government can summon the political will to address the challenge, both at home and in partnership with other countries in the hemisphere.



# Appendix

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MAJOR TRANSNATIONAL CRIMINAL TRENDS

## APPENDIX: MAJOR TRANSNATIONAL CRIMINAL TRENDS

The worldwide black economy is very fluid and difficult to gauge accurately; virtually all global criminal organizations shift from one illegal market to another as necessary to maximize profits and avoid law enforcement. Figure 8 estimates the magnitude of some of the most significant trafficking flows in 2008.

### Drug Trafficking

The illegal drug trade is the largest single contributor to the global black economy, with profit estimates ranging between 100 billion and 500 billion dollars annually.<sup>194</sup> In comparison, the next most profit-intensive illicit industries draw figures an order of magnitude lower. For example, returns from human trafficking and arms trafficking are estimated at 32 billion and 10 billion dollars annually.<sup>195</sup> Trafficking in wildlife hovers somewhere between 5 and 20 billion dollars.<sup>196</sup> The drug trade is the primary generator of linkages among criminal groups, very often on a global scale. Almost all countries in the world today are producers, consumers or transit countries for the main drugs: marijuana, cocaine, heroin, methamphetamines, and MDMA (ecstasy). Not only is the drug trade uniquely lucrative, but production and distribution may support an entire economic infrastructure in which individuals can participate in many ways: through production (labor-intensive crops in the case of marijuana and opium), distribution, taxing, security, transportation, etc.

The dynamics of the drug trade have transformed supply and demand in regions across the world. Countries that at one time were only “pass through” avenues have become production centers and consumers. For example, Brazil today is the second-largest consumer of cocaine in the world, after the United States.<sup>197</sup> Europe is supplanting the United States as a more lucrative market for South American cocaine, and the Sahel in West Africa is

now a main crossroads for drug trafficking due to the virtual absence of law enforcement there. The rapidly growing European demand for cocaine has transformed West and North Africa into major transshipment areas that terrorist organizations like al Qaeda in the Islamic Maghreb, Hezbollah and Hamas are now exploiting along with local organized crime syndicates.

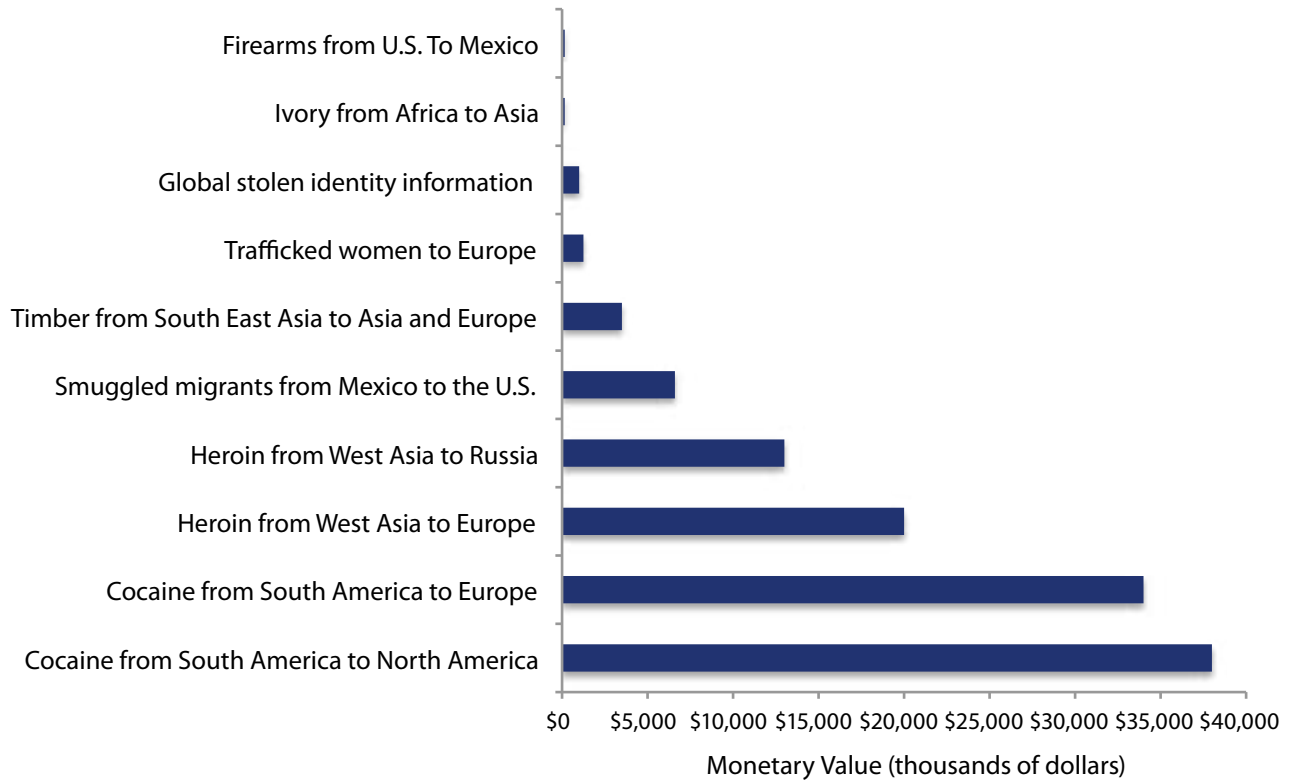
From a regional perspective, the drugs of most concern remain marijuana, cocaine and heroin from Mexico and the Andean Ridge to the U.S. market. Despite decades of eradication and interdiction efforts as part of the U.S. “war on drugs” and Colombia’s so far successful campaigns against narco-terrorist drug gangs and guerrillas, and although the domestic price of cocaine has spiked in recent years, the supply to American markets remains basically unchanged because of other foreign inflows and rising production.<sup>198</sup>

### Human Smuggling and Trafficking

Human smuggling and trafficking networks range from family groupings to global ones. Human smuggling organizations cater primarily to migrants and refugees who travel for economic reasons, to escape prosecution or to reunite with family members. Human trafficking organizations, on the other hand, generate profit from the exploitation of smuggled victims, primarily through forced labor or prostitution.<sup>199</sup> According to U.S. officials, most people entering this country illegally receive assistance from human smuggling organizations.<sup>200</sup> In the Western Hemisphere, human smuggling groups commonly associate with cartels or even merge. In fact, one of the unintended effects of stronger enforcement of the U.S. border in the past decade has been displacement of independent coyotes (human smugglers) in favor of more consolidated organizations with more sophisticated networks and capabilities. U.S. officials have long been concerned that smuggling “rat lines” could be used by terrorists to move al Qaeda-affiliated terrorists or weapons of mass destruction



FIGURE 8: ESTIMATED VALUE OF ILLICIT TRADE IN 2008



Source: United Nations Office on Drugs and Crime, *The Globalization of Crime* (2010).

across U.S. borders; reports continue to assert that illegal aliens of Middle Eastern origin have entered the United States along drug smuggling routes, facilitated by the cartels.<sup>201</sup>

### Weapons Trafficking

An enormous quantity of weaponry – licit and illicit – is available in the world today. Trafficking in weapons is particularly important because it becomes an enabler for other kinds of crime: large supplies of modern arms allow criminal groups to transition from minor gangs into de-facto paramilitary organizations able to challenge state police and militaries. Availability of illegal weapons is not new, but the available quantities are. While large supplies of illegal weapons were already leaking into black markets during the Cold War,<sup>202</sup> the global weapons market experienced a huge supply-

side boost when the Soviet flag came down over the Kremlin in 1991. The collapse of the Soviet Union made available vast stores of arms – both large weapons and small – and unleashed the unregulated energies of an entrepreneurial population that had matured under a corrupt, pay-whomever-can system. These weapons were traded for a variety of currencies: cash, food, oil, drugs, human traffic or precious commodities like diamonds.<sup>203</sup> A large number of these arms turned up in wars and insurgencies around the world, and the continuing availability of illicit arms remains a source of global instability.<sup>204</sup>

Small arms originally started flowing across Latin America during the Cold War, in particular in response to civil wars in Central America in the 1980s. Today the arms trade thrives in the Western

Hemisphere, providing weapons to the Mexican cartels, the Colombia's FARC, Central American gangs and other paramilitary groups. The trade is directly connected to other illicit markets – as summarized by a 2008 report by the North American Congress on Latin America, “small arms have become both the currency and commodity of the drug trade,” woven into every stage from drug crop cultivation to distribution.<sup>205</sup> The Center for Defense Information estimates that as a result of uncontrolled proliferation for several decades, there are now 45 million to 80 million small arms and light weapons circulating throughout the region.<sup>206</sup>

Cartels and other illegal groups in the Western Hemisphere acquire their arms from several sources:

- *Other international criminal organizations* – Criminal networks routinely collaborate to acquire illicit weapons from other groups. Hezbollah, for example, has been known to make arms-for-drugs deals with Latin American traffickers.
- *Official state channels* – All of the Andean countries, for example, have at one point or another supplied unlawful parties in Colombia with small arms.<sup>207</sup>
- *Corrupt public sector officials* – In Mexico, corrupt enforcement officials have transferred caches of government weapons to criminal groups and have diverted seized weapons that never enter official records. Thefts and diversion are equally common in Venezuelan arsenals, providing weapons to Colombian guerrillas.<sup>208</sup>
- *Individuals* – Global arms traffickers like Russian Victor Bout and Syrian-born Monzar al Kassar have for decades supplied arms to virtually every terrorist group and cartel able to pay for them. (Kassar is now serving a 30-year sentence as a result of a DEA investigation, and Bout is incarcerated in Thailand awaiting extradition and trial in the United States.) Along the U.S.-

Mexican border, smugglers are able to recruit U.S. citizens – many of them with clean records – who make purchases at U.S. gun shops or gun bazaars, sometimes even just a couple weapons at a time, and then smuggle them across the border to be delivered to the cartels.<sup>209</sup> Although the commonly cited claim that 90 percent of Mexican cartel weapons come from the United States is a gross overestimate, the number is nonetheless significant, estimated to be around 20 percent.<sup>210</sup> Farther south in the hemisphere, local production of weapons that directly feed into the illicit trade has been documented in Chile, Brazil, Colombia and Honduras.<sup>211</sup>

To address the flow of illegal arms in the hemisphere, the Organization of American States (OAS), national governments and non-governmental organizations (NGOs) in the region pledged to renew their small arms control efforts after the July 2001 U.N. Conference on the Illicit Trade of Small Arms and Light Weapons in all its Aspects. A 2003 study determined that Central America and the MERCOSUR (South American Common Market – Argentina, Brazil, Paraguay and Uruguay) have developed the two most effective sub-regional mechanisms to counter smuggling. There is, however, little to no evidence of any similar initiatives in the Caribbean and Andean region.<sup>212</sup>

Disparate national approaches to arms control should concern the United States given the trend in recent years for various Latin American governments to acquire arms at increasing rates. Recently, for example, Venezuela contracted to acquire 4 million dollars worth of AK-47 assault rifles from Russia and has now signed up to produce AK-103 variants at home by this year.<sup>213</sup> Not just small arms like AK-47s end up in the hands of illegal armed groups. Heavier weaponry also moves through black-market suppliers. These include the FARC's acquisition of surface-to-air missiles from corrupt Peruvian security forces to fight against U.S.-supplied helicopters.<sup>214</sup>

## Money Laundering and Illicit Financial Transactions

International banking networks are essential to terrorists, drug cartels and governments. In the obscure world of the black economy, banks play a central role in evading international sanctions, washing funds from illegal transactions and passing funding to and between criminal and terrorist networks. According to the National Drug Intelligence Center, Mexican and Colombian cartels launder between 18 billion and 39 billion dollars every year.<sup>215</sup> Money laundering has evolved from being a simpler activity in the 1970s and 1980s to a much more complex and sprawling system today.<sup>216</sup> While in the past banks were willing to handle bulk deposits, new regulations, particularly reporting requirements, have made such practices dangerous for traffickers. As a result, cartels now commonly resort to practices like “smurfing,” bypassing IRS reporting requirements by making multiple deposits in different banks for amounts less than 10,000 dollars each. Much of this cash ends up feeding into the Black Market Peso Exchange (BMPE), made up by brokers who sell U.S. dollars for pesos at lower rates than the legitimate currency exchange, inviting smuggling from the United States to avoid high tariffs. It is also routine for cartel members to physically transport cash in bulk across the border from the United States to Mexico, further complicating detection by authorities.<sup>217</sup>

ENDNOTES

1. Definitions have been a problem throughout this study, because of the variety of networked criminal organizations. In economics, the term “cartel” refers specifically to a conspiracy to fix prices, limit production, or both. The early Colombian drug cartels were proper cartels; current criminal drug organizations no longer strictly fit the definition. Although law enforcement organizations prefer the term Drug Trafficking Organizations (DTOs), popular usage has stayed with “cartels” and so does this paper, although “DTO” will appear from time to time.

2. Author’s notes; interview with field agent.

3. See Walter Wriston, *The Twilight of Sovereignty* (New York: Scribner, 1992) for an elegant discussion on this point.

4. Douglas Farah, “The Criminal-Terrorist Nexus and Its Pipelines,” NEFA Foundation (14 January 2008): 3.

5. See Wriston, for example.

6. “The Failed State Index,” *Foreign Policy Magazine* (July-August 2007): 54-63.

7. Vanda Felbab-Brown, comment to author (4 August 2010).

8. I am grateful to Dr. Moisés Naim for these and other insights, which are also found in his book *Illicit: How Smugglers, Traffickers and Copycats are Hijacking the Global Economy* (New York: Random House, 2005): 33.

9. See, for example, *The U.S. Army-Marine Corps Counterinsurgency Field Manual* (Chicago: University of Chicago Press, 2007): 2, which defines insurgency as “an organized, protracted politico-military struggle designed to weaken the control and legitimacy of an established government, occupying power, or other political power while increasing insurgent control.”

10. The theorist Colin Gray points out that “war” is essentially a relationship between belligerents fighting one another. In his *Another Bloody Century: Future Warfare* (London: Phoenix Press, 2005), he says: “War is about politics, and politics is about relative power. That statement . . . is so basic and should be so familiar, as to verge on the banal . . . war and warfare is only about politics . . . Warfare is political behavior, as Clausewitz taught, while in addition it is social and cultural behavior, and it is certainly an expression of society’s level of economic, especially technological, development. However, war and warfare is only about politics. War is not about culture, or social organization, or technology, or indeed anything else” (37).

11. Interview with GEN Freddy Padilla, commander in chief, Armed Forces of Colombia (27 July 2010).

12. John Arquilla and David Ronfeldt, *Networks and Netwars; the Future of Terror, Crime and Militancy* (Santa Monica, CA: RAND, 2001): 78. Though dated, this book is fundamental for understanding theories of criminal networks.

13. In this sense, criminal states can overlap with the “State Sponsors of Terrorism” designated by the U.S. State Department, “those countries that have repeatedly provided support for acts of international terrorism.” U.S. policy and law require the imposition of regulatory restrictions and bans on transactions with these countries. Currently, Cuba, Iran, Sudan and Syria are listed as State Sponsors of Terrorism. For decades, the State Department has labeled The Islamic Republic of Iran “the most active state sponsor of terrorism,” as it routinely provides safe haven, resources, and guidance to terrorist groups allied with Iran’s foreign policy objectives. The designation, however, is subject to political calculations within the U.S. government. North Korea, for example, despite clear evidence of support for terrorist activities, was taken off the list in 2008 as an inducement to negotiations. Venezuela, despite clear ties to the FARC, Hezbollah and the Iranian Republican Guards and Quds Force, is not designated.

14. Author’s notes; agent’s name withheld.

15. But the difficulty of adapting bureaucratic structures to fight networks should not be underestimated. In a review of this draft, development expert Lani Elliott wrote: “. . . Are you making the assertion that cartel networks, which are highly fluid and able to adapt to obstacles in ‘net time,’ can be defeated by bureaucratic organizations which are stuck adapting in 19th century time, and which are fundamentally organized to prevent the flow of completely accurate information? . . . What will this highly fluid environment mean for the survival of the Westphalian nation-states, especially with those with local government elements being challenged by nimble, well-funded networks? . . . At what point will the costs of maintaining membership in the polity exceed the benefits? . . . What then?” (Elliott to author, 1 June 2010). We stand by our assertion, and offer policy prescriptions farther along, but Elliott’s concern is certainly justified.

16. Latin America provides 30 percent of the United States’ oil, more than the Middle East or any other region. See “U.S.-Latin America Relations: A New Direction for a New Reality,” Council on Foreign Relations (May 2008), <http://www.cfr.org/publication/16279/>.

17. “Statistical Portrait of Hispanics in the United States, 2008.” Pew Hispanic Center (21 January 2010), <http://pewhispanic.org/factsheets/factsheet.php?FactsheetID=58>.

18. According to the Inter-American Bank’s Multilateral Investment Fund (MIF), in 2006 countries in Latin America and the Caribbean received 62.3 billion dollars in remittances from their migrants, mostly in North America, Europe and Asia. This number is expected to grow to 100 billion dollars a year in 2010.

19. The total for both documented and undocumented border-crossers is 2 million people. Figure from the Mexican Institute of Migration, <http://www.inm.gob.mx>.

20. Tim Gaynor and Tiemoko Diallo, “Al Qaeda linked to rogue aviation network,” Reuters (13 January 2010) <http://www.reuters.com/article/idUSTRE60C3E820100113>.



21. Comments made by policy experts at CNAS workshop (28 October 2009). In June 2010 DEA and Ecuadorean law enforcement officials seized a fully submersible submarine before launch.
22. Chile thus became the second Latin American state, after Mexico, to join the OECD.
23. Mica Rosenberg, "Drug war abuses by Mexican army rise sharply," *Reuters* (8 December 2009), <http://www.reuters.com/article/idUSTRE5B804H20091209>.
24. David Agren, "Mexico: Death Toll From Drug-Related Violence is Thousands Higher Than Was Reported Earlier," *New York Times* (3 August 2010).
25. Douglas Farah to author (June 2010).
26. David Luhnow, "Saving Mexico," *The Wall Street Journal* (26 December 2009).
27. *Ibid.*
28. U.S. State Department. *2009 International Narcotics Control Strategy Report* (February 2009), <http://www.state.gov/p/inl/rls/nrcrpt/2009/index.htm>.
29. Jorge Fernández Menéndez and Victor Ronquillo, *De los Maras a los Zetas: Los secretos del narcotráfico*, de Colombia a Chicago (Mexico City: Editorial Grijalbo, 2006): 66.
30. John Sullivan, "Counter Supply and Counter-Violence Approaches to Narcotics Trafficking," *Small Wars and Insurgencies* (12 March 2010): 190.
31. See, for example, John Bailey and Roy Godson, *Organized Crime & Democratic Governability: Mexico and the U.S.-Mexican Borderlands* (Pittsburgh: University of Pittsburgh Press, 2000): 300.
32. "Narco echa raíces en tierras ociosas," *Excelsior* (24 September 2008).
33. An example of this happened when the assassination of Rodolfo Carrillo, leader of the Juárez cartel and one of the famous Carrillo brothers, left the cartel in the hands of Ricardo García Urquiza, a businessman with a college degree and a clear record. When García Urquiza was finally arrested in November of 2005, the Mexican public (and some government agencies) was surprised that a heretofore unknown individual was responsible for trafficking operations from Colombia to the United States. See Fernández and Ronquillo: 287-290.
34. Fernández and Ronquillo: 223.
35. Robin Emmott, "Cartel Inc: In the company of Narcos," *Reuters* (14 January 2010).
36. John Burnett, Marisa Peñaloza and Robert Benincasa, "Mexico Seems to Favor Sinaloa Cartel in Drug War," *NPR* (19 May 2010).
37. "La nueva fe de los narcos: La Familia, 'salvajes de corazón'," *Milenio Semanal* (6 June 2009), <http://www.milenio.com/node/224241#>.
38. Fernández and Ronquillo: 206.
39. "Reconocen relación de las FARC con narcos mexicanos," *El Universal* (1 October 2007), <http://www.el-universal.com.mx/notas/452299.html>.
40. Countering these groups has become a priority in the security agenda of the countries in the region. See Lucía Dammert and John Bailey, "Reforma policial y participación militar en el combate a la delincuencia. Análisis y desafíos para América Latina," *Revista Fuerzas Armadas y Sociedad* (2005): 3.
41. "Narcotraficantes usan a maras como sicarios," *El Siglo de Torreón* (14 December 2004).
42. "El cártel del Golfo ya opera en Europa, afirma procurador italiano," *Proceso* (4 December 2008).
43. Fernández and Ronquillo: 191.
44. Douglas Farah. "Transnational Drug Enterprises: Threats to Global Stability and U.S. National Security from Southwest Asia, Latin America and West Africa," Testimony before the House Committee on Oversight and Government Reform Subcommittee on National Security and Foreign Affairs (1 October 2009).
45. Francisco Cuevas, "Zetas, en el tráfico de armas," *Noticieros Televisa* (16 April 2009).
46. "Hallan 500 granadas de 'Zetas' en Guatemala," *Associated Press* (27 March 2009), <http://www2.esmas.com/noticierostelevisa/internacional/america/051886/hallan-500-granadas-zetas-guatemala>.
47. Samuel Logan and John Sullivan, "Costa Rica, Panama in the Crossfire," *ISN Security Watch* (7 October 2009).
48. A poll carried out by the Instituto Tecnológico de Estudios Superiores de Occidente (ITESO) found that 75 percent of Mexicans believe their government is losing the war against drug traffickers. See Natalia Barragán, "La 'guerra' la va ganando el narco: encuesta," *Milenio* (19 May 2010).
49. "Thinking the unthinkable," *The Economist* (12 August 2010).
50. "It should be noted that this has never worked, and the PEPES (vigilante gang tied to the drug trade) in Colombia demonstrated the very great risks and costs with this strategy, implemented by President Gaviria of using the Cali cartel against Medellín." Douglas Farah, note to author (1 June 2010).
51. Robert J. Bunker, and John Sullivan, "Cartel Evolution Revisited, Third Phase Cartel Potentials and Alternative Futures for Mexico," *Small Wars and Insurgencies* (March 2010): 30-54.

52. As a point of fact, the coca plant is not native to Colombia, but was “exported” when the Colombian cartels and FARC seized land and expanded their operations in the '80s and '90s.

53. See the first report by the Colombian National Commission on Reparations and Reconciliation, *Disidentes, rearmados y emergentes: Bandas criminales o tercera generación paramilitar?* (August 2007).

54. Patricia Bibes, “Transnational Organized Crime and Terrorism – Colombia, a Case Study,” *Journal of Contemporary Criminal Justice* (August 2001): 250.

55. See, for example, International Crisis Group, “Ending Colombia’s FARC Conflict; Dealing the Right Card,” Latin America Report No. 30 (26 March 2009).

56. See cables in the National Security Archive Electronic Briefing Book No. 69, such as cable P251314Z from the American Embassy in Bogota to the Secretary of State which authorizes use of U.S. military aid nationwide, available at <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB69/part3.html#doc66>.

57. Government Accountability Office, *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance* (6 October 2008), <http://www.gao.gov/products/GAO-09-71>.

58. Ibid.

59. John E. Dolby, “Mexico at the Precipice: Are Lessons from Plan Colombia Operationally Relevant to United States Northern Command?” Naval War College Report (4 April 2009): 18.

60. Government Accountability Office, *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Security Assistance* (October 2008): 5.

61. The U.S. DIA and CIA stated in declassified reports from 1991 and 1992 that Colombian guerrillas were tightly linked with the drug trade and outlined the need for “a COIN component to United States policy.” See John Dolby: 20.

62. Dolby.

63. Note from Michael Braun to author (2 July 2010). Few outside the judicial and law enforcement communities recognize how powerful a tool extradition has become in counter-cartel operations. Extradition is never a popular issue in host countries – in Colombia, for example, it is a legislative debate that continually resurfaces as an affront to national sovereignty. As a law enforcement tool, though, it is invaluable to both the host country and the United States for four reasons. First, the geographical distance hampers the ability of convicted cartel leaders to continue to run their illegal enterprises from prison – a common phenomenon in Latin America (and in the United States as well, for American-based gangs). Second, because the convicted leaders lose their grip when extradited, succession wars begin almost immediately in the left-behind organizations, making contenders more visible

and therefore more vulnerable to intelligence and arrest – if they survive. According to one agent familiar with the scene, violence is often almost immediate. “The bodies really pile up,” he commented. Third, the threat of extradition becomes a valuable bargaining chip when host nations begin negotiating reconciliation agreements, as the Colombians did with the right-wing militias of the early 2000s. Finally, extradition to U.S. jails puts criminal leadership beyond the reach of potential release by corrupt courts or legislatures.

64. Comments by Adam Isacson at CNAS Roundtable (25 February 2010).

65. See Adam Isacson, “20,915 people,” *Plan Colombia and Beyond*, Center for International Policy (21 April 2010), <http://www.cipcol.org/?p=1471>.

66. U.S. and Colombian officials did learn a number of valuable lessons, including the close links between insurgency and narcotics production, which led to the government’s three-phase interagency eradication program now under way. For an extended discussion, see Vanda Felbab-Brown, *Shooting Up – Counterinsurgency and the War on Drugs* (Washington: Brookings Press, 2010). Aerial eradication programs without other support tend not to be effective, according to one official closely associated with the government’s current eradication program. It is most effective when local farmers eradicate the coca crop themselves, in exchange for government support and development programs. Colombian officials from the armed services chief down all emphasized that eradication must be part of a larger political strategy to reintegrate populations into civic culture (author’s notes).

67. Eradication strategies have since been reduced in Colombia.

68. Government Accountability Office, *Plan Colombia*: 5.

69. Colombian cocaine, rather than Peruvian or Bolivian, almost exclusively supplies the U.S. markets. United Nations Office on Drugs and Crime, *World Drug Report* (2010): 74.

70. U.N. *World Drug Report*.

71. The AUC was a bigger cocaine producer than the FARC from approximately 1999 to 2003. See Douglas Farah, *Money Laundering and Bulk Cash Smuggling: Challenges for the Mérida Initiative*, Woodrow Wilson International Center for Scholars (May 2010).

72. Drug Enforcement Administration news release, “Leader of Colombian Narco-Terrorist Group Extradited to United States on Cocaine Importation Charges” (17 July 2009), <http://www.justice.gov/dea/pubs/states/newsrel/2009/nyc071709.html>.

73. Once more, the estimates for the FARC’s revenues vary widely. Comment by Vanda Felbab-Brown (August 2010). See also Stephanie Hanson, *FARC, ELN: Colombia’s Left-Wing Guerrillas*, Council on Foreign Relations (19 August 2009), <http://www.cfr.org/publication/9272/>.

74. “Ending Colombia’s FARC Conflict: Dealing the Right Card,” International Crisis Group (26 March 2009).

75. Douglas Farah, "The Death of Edgar Tovar and the FARC Cocaine Pipeline," *Counterterrorism Blog*, February 26, 2010, [http://counterterrorismblog.org/2010/02/the\\_death\\_of\\_edgar\\_tovar\\_and\\_t.php](http://counterterrorismblog.org/2010/02/the_death_of_edgar_tovar_and_t.php).
76. "Kidnappers slit Colombian pol Luis Francisco Cuéllar's throat; FARC eyed in assassination," *The Associated Press* (23 December 2009).
77. Phil Williams, "Violent Non-State Actors and National and International Security." *International Relations and Security Network*, Swiss Federal Institute of Technology, Zurich (25 November 2008).
78. Chris Kraul and Sebastian Rotella. "Colombia drug ring may link to Hezbollah," *Seattle Times* (25 October 2008), [http://seattletimes.nwsour.com/html/nationworld/2008309259\\_drugring25.html](http://seattletimes.nwsour.com/html/nationworld/2008309259_drugring25.html).
79. Ray Walser, "What to Do about Hugo Chávez: Venezuela's Challenge to Security in the Americas," *The Heritage Foundation* (19 February 2009), <http://www.heritage.org/research/latinamerica/bg2243.cfm>.
80. Kraul and Rotella.
81. Tim Gaynor and Tiemoko Diallo, "Al Qaeda linked to rogue air network: U.S. official," *Reuters* (14 January 2010).
82. In 2004, an indictment issued by the United States against the cartel stated that the group was responsible for exporting more than 500 metric tons of cocaine with a value of 10 billion dollars from Colombia to the United States, through Mexico. The cartel also employed the services of Colombian right-wing paramilitaries to protect its routes, facilities and members. After the arrest of leader Diego Montoya in 2007, the Colombian government has tried to strike preemptively and arrest his potential successors before the cartel is restructured.
83. International Crisis Group, *Colombia's New Armed Groups* (10 May 2007), [http://www.crisisgroup.org/library/documents/latin\\_america/20\\_colombia\\_s\\_new\\_armed\\_groups.pdf](http://www.crisisgroup.org/library/documents/latin_america/20_colombia_s_new_armed_groups.pdf).
84. Ibid.
85. Chávez won the referendum with a 54 percent to 46 percent victory.
86. "Profile: Hugo Chávez," *BBC News* (5 December 2002), <http://news.bbc.co.uk/2/hi/1925236.stm>.
87. Benedict Mander, "Chávez and Gaddafi urge redefining of 'terrorism'," *The Financial Times* (29 September 2009), [http://www.ft.com/cms/s/0/5a429ac8-ad0e-11de-9caf-00144feabd0c.html?ncklick\\_check=1](http://www.ft.com/cms/s/0/5a429ac8-ad0e-11de-9caf-00144feabd0c.html?ncklick_check=1).
88. Justin Blum, "Chávez Pushes Petro-Diplomacy," *The Washington Post* (22 November 2005), <http://www.washingtonpost.com/wp-dyn/content/article/2005/11/21/AR2005112101800.html>.
89. Ray Walser, "Terrorism, Insurgency and Drugs Still Threaten America's Southern Flank," *The Heritage Foundation Executive Summary Backgrounder* (30 June 2008): 4.
90. Rory Carroll, "Venezuelan energy crisis threatens the Chávez revolution," *The Guardian* (11 March 2010), <http://www.guardian.co.uk/world/2010/mar/11/venezuela-energy-crisis-chavez>.
91. Overseas Security Advisory Council, *Venezuela 2009 Crime and Safety Report* (6 August 2009), <http://www.osac.gov/Reports/report.cfm?contentID=101856>.
92. The size of Venezuela's defense spending now ranks third in the region behind Brazil and Colombia. The U.S. Defense Intelligence Agency estimates that Venezuela spent approximately 4.3 billion dollars on weapons between 2005 and 2007. Russian arms sales to South America increased by approximately 900 percent from 1999 to 2008, mostly as a result of increased transfers to Venezuela. These transfers included 100,000 assault rifles, 15 helicopters and a license to produce Kalashnikov rifles (AK-103s, very similar to the AK-47 model) in Venezuela itself. In addition, Venezuela has also acquired naval patrol units from Spain. See: Mark Bromley, Paul Holtom, Sam Perlo-Freeman and Pieter Wezeman, "Recent Trends in the Arms Trade," SIPRI Background Paper (April 2009): 3.
93. Harold Trinkunas, *Venezuelan Strategic Culture*, Florida International University (July 2009).
94. U.S. Government Accounting Office, *Drug Control; U.S. Counternarcotics Cooperation with Venezuela has Declined* (GAO 09-806, July 2009): 13.
95. Chris Kraul, "Venezuela tolerates FARC rebels in border region, residents say," *Los Angeles Times* (21 January 2009), <http://articles.latimes.com/2009/jan/21/world/fg-venezuela-farc21>.
96. "Colombia proves again that Venezuela is harboring FARC terrorists," *The Washington Post* (30 July 2010), <http://www.washingtonpost.com/wp-dyn/content/article/2010/07/29/AR2010072905211.html>.
97. U.S. Treasury Department press release (12 September 2008).
98. Ibid.
99. Juan Forero, "Capture of Rebel divides Latin American Neighbors," *New York Times* (23 January 2005).
100. "Swedes quiz Venezuela on weapons" *BBC News* (27 July 2009), <http://news.bbc.co.uk/2/hi/americas/8171580.stm>.
101. Indictment by Judge Eloy Velazco of the Spanish High Court (March 2010).
102. National Seizure System (NSS), El Paso Intelligence Center.

103. Ibid.
104. Babak Dehghanpisheh, "Why Sanctions Won't Hurt the Revolutionary Guards," *Newsweek* (10 July 2010).
105. Ibid.
106. More details on the ties between the IRGC, Hezbollah and other terrorist organizations can be found in Anthony H. Cordesman, *Iran's Revolutionary Guards, the al Quds Force, and other Intelligence and Paramilitary Forces* (working draft), Center for Strategic and International Studies (16 August 2007).
107. U.S. State Department, "Country Reports on Terrorism" (30 April 2009), <http://www.state.gov/s/ct/rls/crt/2008/122436.htm> Venezuela has thus far not been designated a State Sponsor of Terrorism.
108. "Venezuela called the critical link in Iran plan to duck sanctions," *World Tribune* (22 September 2009).
109. Ann Scott Tyson, "Gates Predicts 'Slog' in Afghanistan," *Washington Post* (28 January 2009), <http://www.washingtonpost.com/wp-dyn/content/article/2009/01/27/AR2009012700472.html>.
110. "Chávez Decorated in Iran; Initials Cooperation Pacts," *El Universal* (31 July 2006). [http://english.eluniversal.com/2006/07/31/en\\_pol\\_art\\_31A756133.shtml](http://english.eluniversal.com/2006/07/31/en_pol_art_31A756133.shtml).
111. "National Security Implications of the Activities of the Islamic Republic of Iran in Latin America, and Particularly Venezuela," Commentary by Norman Bailey to author (22 June 2010).
112. Ibid.: 50.
113. Cynthia Arnson, Haleh Esfandlari, Adam Stubits, eds., *Iran in Latin America; Threat or Axis of Annoyance?* (Washington: The Woodrow Wilson Center, 2009): 2.
114. "The Teheran- Venezuelan Nuclear Axis," *Wall Street Journal* (15 December 2009), <http://online.wsj.com/article/SB10001424052748704869304574595652815802722.html>.
115. Ibid.
116. Mohsen Milani, testimony to the House Committee on Foreign Affairs, Western Hemisphere Subcommittee (27 October 2009).
117. In the 1990s, Hezbollah carried out two attacks on Argentine soil: the 1992 bombing of the Israeli embassy and the 1994 bombing of a Jewish community center.
118. "Iran-Venezuela ties serve strategic aims," *UPI* (14 August 2009), [http://www.upi.com/Top\\_News/Special/2009/08/14/Iran-Venezuela-ties-serve-strategic-aims/UPI-91201250266165/](http://www.upi.com/Top_News/Special/2009/08/14/Iran-Venezuela-ties-serve-strategic-aims/UPI-91201250266165/).
119. Walsler: 61.
120. U.S. Department of Defense, *Unclassified Report on Military Power of Iran* (April 2010), <http://www.scribd.com/doc/30277432/DoD-Unclassified-Report-on-Military-Power-of-Iran>.
121. See for example, "Iran: Quds Force in Venezuela," *Stratfor* (22 April 2010).
122. The car bomb detonated in Ciudad Juárez in July 2010 surprised law enforcement experts because of its sophistication, and some nongovernmental security scholars speculated that elements of Colombian drug trafficking organizations or guerrillas may have been involved in its construction. See William Booth, "Ciudad Juárez car bomb shows new sophistication in Mexican drug cartels' tactics," *Washington Post* (21 July 2010), <http://www.washingtonpost.com/wp-dyn/content/article/2010/07/21/AR2010072106200.html>.
123. Morgenthau, Robert, "The Link between Iran and Venezuela: A Crisis in the Making?" Briefing at Brookings Institute (8 September 2009): 3.
124. Milani: 7.
125. Norman Bailey, testimony to the House Committee on Foreign Affairs, Subcommittee on Middle East and South Asia (27 October 2009).
126. The last year a Pew Global Attitudes poll was carried out in Venezuela was 2007, when 56 percent of respondents said they had a favorable opinion of the United States. In 2002, the figure was 82 percent. "Key Indicators Database," *Pew Global Attitudes Project* (accessed 27 August 2010), <http://pewglobal.org/database/?indicator=1&country=238>.
127. Douglas Farah, note to author (June 2010).
128. Chris Kraul, "DEA presence ends in Bolivia," *Los Angeles Times*, (30 January 2009), <http://articles.latimes.com/2009/jan/30/world/fg-bolivia-dea30>.
129. Douglas Farah and Glenn Simpson, *Ecuador at Risk: Drugs, Thugs, Guerillas and the Citizens' Revolution*, International Assessment and Strategy Center, (January 2010). Also according to Farah, the primary FARC fronts operating in the area are the 29<sup>th</sup> and the 48<sup>th</sup>, with the latter responsible for moving close to 200 tons of cocaine a year through the country and having significant links to Mexican cartels.
130. Stephan Kuffner, "Ecuador Officials Linked to Colombia Rebels," *Time Magazine*, (15 December 2009).
131. Silvia Longmire, *The Irony of Mexico's Problems along its Southern Border* (7 September 2009), <http://mexidata.info/id2481.html>.
132. Michael Braun, note to author (2 July 2010).
133. See [http://www.fbi.gov/hq/cid/ngic/violent\\_gangs.htm](http://www.fbi.gov/hq/cid/ngic/violent_gangs.htm). Organized gangs are getting a lot of attention from law enforcement officials, particularly the FBI, which operates the MS-13 Task Force, among other actions.



134. Federal Bureau of Investigation, *National Gang Threat Assessment* (2009), <http://www.fbi.gov/publications/ngta2009.pdf>.
135. Linda Diebel, "How Mexico's drug war washed up on Canada's west coast," *The Star* (30 May 2009), <http://www.thestar.com/article/642966>.
136. David Luhnaw and José de Cordoba, "The Perilous State of Mexico," *Wall Street Journal* (21 February 2009), <http://online.wsj.com/article/SB123518102536038463.html>.
137. Correspondence from rancher on border to author (2 May 2010).
138. U.S. Federal Bureau of Investigation, *Crime in the United States – Preliminary Annual Uniform Crime Report* (accessed August 2010), available at [http://www.fbi.gov/ucr/prelimsem2009/table\\_4al-ca.html](http://www.fbi.gov/ucr/prelimsem2009/table_4al-ca.html).
139. National Drug Threat Assessment, "U.S. Southwest Border Smuggling and Violence" (February 2010), <http://www.justice.gov/ndic/pubs38/38661/swb.htm#Top>.
140. A CBP study reported that 3 percent of Border Patrol agents were assaulted in 2009, compared with 11 percent of police officers and sheriff's deputies. Martha Mendoza, "U.S.-Mexico border isn't so dangerous," *Associated Press* (3 June 2010).
141. Randal C. Archibold, "On Border Violence, Truth pales Compared to Ideas," *New York Times* (20 June 2010).
142. Sam Quiñones, "Mexico Under Siege," *Los Angeles Times* (12 February 2009), <http://articles.latimes.com/2009/feb/12/nation/na-drug-kidnappings12>.
143. Emilio San Pedro, "Atlanta Vice: A new U.S. drugs hub?" *BBC News* (2 May 2009), <http://news.bbc.co.uk/2/hi/americas/8014833.stm>.
144. "Atlanta Reeling under Mexican Drug Cartel Violence," *Newsmax* (10 March 2009), <http://www.newsmax.com/Newsfront/atlanta-mexico-drug-gangs/2009/03/10/id/328722>.
145. Though in some jurisdictions, particularly in Southern California, anti-gang policing has come to resemble counterinsurgency. See, for example, Paul Harris, "Gang mayhem grips LA," *The Guardian* (18 March 2007), <http://www.guardian.co.uk/world/2007/mar/18/usa.paulharris>.
146. "New Border War: Corruption of U.S. Officials by Drug Cartels," hearing by the Senate Committee on Homeland Security and Governmental Affairs, Ad Hoc Committee on State, Local and Private Sector Preparedness and Integration (11 March 2010).
147. Drug Enforcement Administration News Release, *Hundreds of Alleged Sinaloa Cartel Members and Associates Arrested in Nationwide Takedown of Mexican Drug Traffickers* (25 February 2009), <http://www.justice.gov/dea/pubs/states/newsrel/2009/la022509.html>.
148. Michael Braun, note to author (2 July 2010).
149. This discussion excludes motorcycle gangs like the Hells Angels, a violent transnational gang by any standard, but exceptional enough in its recruitment and criminal activities to merit a separate study of their own.
150. Celinda Franco, *The MS-13 and 18<sup>th</sup> Street Gangs – Emerging Transnational Threats?* Congressional Research Service RL34233, (30 January 2008).
151. The MS-13 Threat: A National Assessment," Federal Bureau of Investigation (14 January 2008), [http://www.fbi.gov/page2/jan08/ms13\\_011408.html](http://www.fbi.gov/page2/jan08/ms13_011408.html).
152. Ibid.
153. Ibid.
154. Ibid.
155. National Gang Crime Research Center, "The Gangster Disciples: A Gang Profile" (2008), <http://www.ngcrc.com/ngcrc/page13.htm>.
156. Braun, note to author (2 July 2010).
157. I am grateful to the Newport News (Va.) police department for this insight and for orienting me thoroughly on local gang culture.
158. Author's interview with LAPD police officer (28 October 2009).
159. The *Barrio Azteca* and the *Artistas Asesinos* are both bilingual gangs comfortable in either Mexican or U.S. cultures. They are reported to be recruiting servicemen in the Fort Bliss/El Paso area, or joining the Service in order to gain training and desert back to the gangs. Correspondence from Douglas Farah to author (June 2010).
160. Hal Brands, "Third Generation Gangs and Criminal Insurgency in Latin America," *Small Wars Journal* (4 July 2009). Also see John P. Sullivan, "Third Generation Street Gangs: Turf, Cartels, and Netwarriors," *Crime and Justice International* (1997): 95-108.
161. Comments by law enforcement professionals at CNAS workshop (10 December 2009).
162. "National Drug Control Strategy – FY 2011 Budget Summary," Office of National Drug Control Policy, <http://www.whitehousedrugpolicy.gov/publications/policy/11budget/index.html>.
163. The DEA "vetted officer" program began in Colombia; Colombian national police are in the process of spreading the model to other countries in Latin America. After a decade, such programs can produce highly professional, non-corrupted police forces.
164. Comments by law enforcement officials at CNAS workshop (10 December 2010).
165. Particularly in several towns along the Southwest border and in Southern California, police encounters with the Latino gangs have occasionally taken on the character of warfare, with skirmishes,

ambushes and drawn-out gun battles that are often not reported. At the conference referenced above, members were unanimous that local authorities often play down the presence of gangs because of the impact on local economies. The conferees agreed that “stigma creates disincentives for state and local authorities to report accurate crime figures and even admit they have a gang problem, hindering the enactment of anti-gang measures. *Several conferees emphasized the point that crime statistics are often unreliable as they may reflect political pressure to show progress or downplay certain categories of crime.* (Author’s emphasis.)

166. Barry McCaffery, *The Drug Scourge as a Hemispheric Problem*, Strategic Studies Institute of the U.S. Army War College (August 2001).

167. Of course, some policies will yield a greater “bang for the government’s buck” than others. For example, prevention of drug use is more cost-effective than treatment, and drug user-oriented policies in general are more cost-effective than interdiction.

168. Retired DOS officer Janice Elmore, note to author (21 June 2010).

169. Author’s note. A key facet of counterinsurgency is the interplay between military and police forces; there is no bright line of demarcation and, indeed, the objective is to drive the insurgents down to the level of common criminals. U.S. policy, though, has long differentiated between “combat” and police activities. Those demarcations are outdated. In Central America in the early 1990s, military helicopters were not permitted to come within small-arms range of suspected narcotics trafficking bases, leaving U.S. law enforcement agents to hoof it overland thousands of meters to bases where suspects had been long gone. Those antiquated rules of engagement (ROE) still pertain today. DOD should be more engaged.

170. One Colombian official involved in civilian reconstruction pointed out that aid and reconstruction programs must be implemented quickly to have an impact, and that U.S. aid programs come with so many bureaucratic strings that their utility is questionable in these cases (author’s notes).

171. From “A Role for Foreign Assistance in Combating America’s Third War against Gangs, Drugs and the Cartel Insurgency,” commentary by Constance and Lani Elliott to author (June 2010).

172. Extradition of cartel kingpins also has the beneficial result of setting off succession struggles in the criminal organizations, resulting in conflict that can be picked up by police and used in further counter-cartel operations.

173. Michael Braun, note to author (1 July 2010).

174. “EU-US SWIFT Bank Data Transfer Agreement Gets Nod from Civil Liberties Committee,” *Eurasia Review* (5 July 2010), <http://www.eurasiareview.com/201007054411/eu-us-swift-bank-data-transfer-agreement-gets-nod-from-civil-liberties-committee.html>.

175. See John Walker and Brigette Unger, “Measuring Global Money Laundering; The Walker Gravity Model,” *Review of Law and Economics* (2009): 821-853.

176. Many police departments have already adapted to the gang challenge in inventive and effective ways. Most urban departments now have detectives and policemen who specialize in gangs or have been sensitized to them; most have some form of intelligence staff that focuses on gangs, though those staffs may ebb and flow depending on local tax dollars and federal grants. Cross-jurisdictional coordinating bodies and local information-sharing arrangements are common among police departments. Finally, most police departments have a certain hard-nosed *esprit* concerning their jurisdictions and their successes in protecting their communities against threats. Increased federal assistance is needed for technology and manpower, but assistance should not encroach on the flexibility of local departments or on the hard-won expertise that makes the policeman or policewoman on the beat so invaluable.

I owe a debt of gratitude to a number of policemen who have illuminated this section, in particular Chief James Fox of the Newport News (Va.) police department, Bobby Kipper of the Fairfax County (Va.) police department, Tony Moreno of the Los Angeles Police Department and others mentioned in the acknowledgements. These men and women are pros, and reinforcing them – just as DOD aims at supporting the front-line soldier – should be the intent of increased federal assistance.

177. Gregory Gardner and Robert Killebrew, “Gangs, Drugs, Terrorism – and Information-Sharing,” *Joint Forces Quarterly*, Issue 54, 3<sup>rd</sup> Quarter (2009): 71.

178. “Review of the Drug Enforcement Administration’s El Paso Intelligence Center,” U.S. Department of Justice, Office of the Inspector General (June 2010): iii. <http://www.justice.gov/oig/reports/DEA/a1005.pdf>.

179. *Ibid*: ii.

180. Oracle Conference on Gangs and Terrorism (28 May 2008). Post-conference report.

181. There are any number of websites with the San Jose and other city programs; a good beginning is “Implementing a Citywide Gang Violence Reduction Strategy,” a pdf file of the California Cities Gang Prevention Network Strategy Paper found online.

182. Author’s notes at Oracle Conference, *op. cit*.

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### **Center for a New American Security**

1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004

TEL 202.457.9400  
FAX 202.457.9401  
EMAIL [info@cnas.org](mailto:info@cnas.org)  
[www.cnas.org](http://www.cnas.org)

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1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004

TEL 202.457.9400  
FAX 202.457.9401  
EMAIL [info@cnas.org](mailto:info@cnas.org)

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