



# Mexico's Drug Trafficking Organizations: Source and Scope of the Rising Violence

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## Summary

In Mexico, the violence generated by drug trafficking organizations (DTOs) in recent years has been, according to some, unprecedented. In 2006, Mexico's newly elected President Felipe Calderón launched an aggressive campaign—an initiative that has defined his administration—against the DTOs that has been met with a violent response from the DTOs. Government enforcement efforts have had successes in removing some of the key leaders in all of the seven major DTOs. However, these efforts have led to violent succession struggles within the DTOs themselves. In July 2010, the Mexican government announced that more than 28,000 people had been killed in drug trafficking-related violence since December 2006 when President Calderón came to office.

Although violence has been an inherent feature of the trade in illicit drugs, the character of the drug trafficking-related violence in Mexico seems to have changed recently, now exhibiting increasing brutality. In the first ten months of 2010, an alarming number of Mexican public servants have been killed allegedly by the DTOs, including 12 Mexican mayors and in July, a gubernatorial candidate. The massacres of young people and migrants, the killing and disappearance of Mexican journalists, the use of torture, and the phenomena of car bombs have received wide media coverage and have led some analysts to question if the violence has been transformed into something new, beyond the typical violence that has characterized the trade. For instance, some observers have raised the concern that the Mexican DTOs may be acting more like domestic terrorists. Others maintain that the DTOs are transnational organized crime organizations at times using terrorist tactics. Still others believe the DTOs may be similar to insurgents attempting to infiltrate the Mexican state by penetrating the government and police.

The growing security crisis in Mexico including the March 13, 2010, killing of three individuals connected to the U.S. consulate in Ciudad Juárez, Mexico, (two of the victims were U.S. citizens) has drawn the attention of the U.S. Congress and has raised concerns about the stability of a strategic partner and neighbor. Congress is also concerned about the possibility of “spillover” violence along the U.S. border and further inland. The 111<sup>th</sup> Congress held more than 20 hearings dealing with the violence in Mexico, U.S. foreign assistance, and border security issues. The 112<sup>th</sup> Congress is likely to be interested in progress made by the Calderón government in quelling the violence and asserting its authority in DTO strongholds, and in the implications for the United States. Members are also likely to continue to conduct close oversight of U.S.-Mexico security cooperation and other related bilateral issues.

This report provides background on drug trafficking in Mexico, identifies the major drug trafficking organizations operating today, and analyzes the context, scope, and scale of the violence. It examines current trends of the violence, analyzes prospects for curbing violence in the future, and compares it with violence in Colombia.

For background on U.S. policy responses to the spiraling violence in Mexico and information on bilateral cooperation between the United States and Mexico see: CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea. For a discussion of the problem of violence “spilling over” into the United States, see CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*, coordinated by Kristin M. Finklea. For general background on Mexico, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Clare Ribando Seelke.

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## Introduction

The rapid increase in brutal drug trafficking-related violence in Mexico—beheadings, killing of innocent bystanders including young people and children, car bombs, torture, and assassination of numerous government officials—has drawn the attention of U.S. lawmakers. As 2010 progressed, the violence spread and became more brazen. Several political assassinations took place before and after the July municipal and state elections. On June 28, 2010 Tamaulipas gubernatorial candidate Rodolfo Torre Cantú of the PRI party was killed, the highest level political assassination in 15 years, allegedly by the drug trafficking organizations (DTOs).<sup>1</sup> Over the next three months, several sitting mayors were executed (a total of 12 between January and the end of October). Little is known about the rationale for these homicides. One interpretation is that some of these mayors were refusing to cooperate with the DTOs. However, they could also be victims of inter-DTO rivalries.

There have also been alarming, highly publicized attacks on drug rehabilitation centers, private parties (often with teenagers killed), and a steady attack on Mexico's journalists inspiring the leading newspaper in Ciudad Juárez to seek a truce with the DTOs it identified as the "de facto authorities" in the city.<sup>2</sup> In late August 2010, 72 Central and South American migrants passing through Mexico were found massacred in Tamaulipas. According to a survivor, Los Zetas—one of Mexico's most violent DTOs—attempted to recruit the migrants to assist in moving drugs and killed them when they refused. The Zetas are reported to be significantly involved in human smuggling.<sup>3</sup>

The 111<sup>th</sup> Congress held more than 20 hearings dealing with the violence in Mexico, U.S. foreign assistance and border security issues. This congressional concern has been heightened since the March 13, 2010, killing of three individuals connected to the U.S. consulate in Ciudad Juárez, Mexico, including two U.S. citizens. Following the explosion of a remotely triggered car bomb in July 2010 that was allegedly planted by the drug trafficking organizations in Ciudad Juárez (which killed four people, including two medical personnel) and subsequent threats made to the consulate, the U.S. office was closed for a security review. The subsequent explosion of car bombs in border states such as Tamaulipas and Nuevo León has raised widespread concern that Mexican drug traffickers may be adopting insurgent or terrorist techniques. Congress has expressed its concern over the escalating violence in various resolutions and legislation. While deeply alarmed at the violence on the Mexican side of the border and in the U.S./Mexico

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<sup>1</sup> While the term "cartel" was commonly applied to Colombian and Mexican organizations and is used frequently in the press, this report favors the use of the term "drug trafficking organizations." In an earlier era, when some government officials helped to organize the business through explicit and implicit arrangements demarcating drug syndicate territories and plazas as well as rules of game, this economic term may have made more sense. Today in a period of unprecedented competition between the DTOs, where collusive behavior appears to last only temporarily and to rapidly evaporate, the term "cartel" is less accurate. Today's Mexican DTOs are not necessarily engaged in price-fixing and other forms of collusive economic activity ascribed to cartels.

<sup>2</sup> Following the murder of a second journalist on the staff at *El Diario* newspaper in Ciudad Juárez, the editor published a plea to the DTOs to consider a truce after asking openly "what do you want of us?" in an editorial September 19, 2010. The Mexican government condemned the idea of a truce, although the editorial was published because the paper said that the authorities could not guarantee the safety of their colleagues.

<sup>3</sup> Sofia Miselem, "Migrant Massacre Challenges Mexico Anti-Crime Strategy," *Agence France Presse*, August 31, 2010; "Cartel Blamed for Massacre," *The Anniston Star*, August 27, 2010; "Drug Cartel Suspected in 72 Migrants' Deaths," *NPR: Morning Edition*, August 26, 2010.

borderlands area, there is increasing concern about the possibility of “spillover” violence into U.S. communities along the border and further inland.

Violence is an intrinsic feature of the trade in illicit drugs. As in other criminal endeavors, violence is used by traffickers to settle disputes, and a credible threat of violence maintains employee discipline and a semblance of order with suppliers, creditors, and buyers.<sup>4</sup> This type of drug trafficking-related violence has occurred routinely and intermittently in U.S. cities since the early 1980s. The violence now associated with drug trafficking organizations in Mexico is of an entirely different scale. In Mexico, not only is the blood letting associated with resolving disputes or maintaining discipline at extraordinary levels, but extensive violence is directed toward the government and the news media, and is not bounded by traditional objectives of such violence.

In the summer of 2010, Mexico experienced four-week periods in which more than 1,000 drug trafficking-related killings occurred.<sup>5</sup> While there is a debate on exactly how many have perished, the results of a four-year campaign to take down the DTOs and move the drug trade out of Mexico have not brought the violence under control. As violence continues to escalate and reach more of Mexico’s territory, more observers and policy analysts are raising concerns about the Mexican state’s stability. The U.S. government and the administration of Mexican President Felipe Calderón strongly deny the so-called “failed state” thesis that was put forward by some analysts in 2008 and 2009, which suggested that the Mexican government was no longer exercising sovereignty in all areas of the country.<sup>6</sup> However, in early August 2010 when President Calderón held a series of meetings to open up public dialogue about his counterdrug strategy, even he described the violence perpetrated by the DTOs as “a challenge to the state, an attempt to replace the state.”<sup>7</sup> Some observers consider parts of Mexico lost to DTO control, although that is definitely not the case for most of the country.<sup>8</sup>

Since coming to office in December 2006, after winning the presidency with a very narrow victory, President Calderón made an aggressive campaign against the DTOs a centerpiece of his administration’s policy. He called the increased drug trafficking violence a threat to the Mexican state and sent thousands of military troops and federal police to combat the DTOs in drug trafficking “hot spots” throughout the country. The federal crackdown on the DTOs led by the well regarded Mexican military was met with violent resistance by the trafficking organizations. At the same time, there have been some dramatic successes in capturing and arresting drug leaders. Communities that have experienced increases in drug trafficking-related violence, such as Monterrey, have successfully called for troops of Mexican army and marines to be sent to protect

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<sup>4</sup> Robert J. MacCoun and Peter Reuter, *Drug War Heresies: Learning from Other Times, Vices and Places* (New York: Cambridge University Press, 2001); Kevin Jack Riley, *Snow Job? The War Against International Cocaine Trafficking* (New Brunswick: Transactional Publishers, 1996).

<sup>5</sup> Trans-border Institute (TBI), Justice in Mexico, *September 2010 News Report*. TBI cites data gathered by *Reforma* newspaper which is described in more detail in section “Casualty Estimates.”

<sup>6</sup> The potential for a rapid and sudden decline in Mexico because of the undermining influence of criminal gangs and DTOs was widely debated. See, for example, United States Joint Forces Command, “The Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force,” December 2008.

<sup>7</sup> President Calderón’s full statement at the security conference was, “This criminal behavior is what has changed, and become a challenge to the state, an attempt to replace the state.” See Tracy Wilkinson and Ken Ellingwood, “Cartels Thrive Despite Calderon’s Crackdown; Drug Gangs Have Expanded Their Power and Reach in both Mexico and the United States,” *Los Angeles Times*, August 8, 2010.

<sup>8</sup> William Finnegan, “Silver or Lead,” *The New Yorker*, May 31, 2010. Mexican crime expert, Edgardo Buscaglia, argues that about one-third of Mexican municipalities are controlled by organized crime. See, “Point Person: Our Q & A with Edgardo Buscaglia,” *Dallas Morning News*, April 9, 2010.

them. Despite government efforts, President Calderón's strategy has been criticized for not reducing the violence while sharply increasing human rights violations by the military, which is largely untrained in domestic policing.<sup>9</sup> Drug-trafficking related homicides doubled between 2007 and 2008 and continued to spiral higher through 2010. The President has indicated that he does not foresee a turning over of the drug war to the Mexican police, and that he expects to stay the course with a large military presence through the end of his term in 2012.

In September 2010, U.S. Secretary of State Hillary Clinton in remarks to the Council on Foreign Relations said that the violence by the DTOs in Mexico may be "morphing into or making common cause with what we would call an insurgency."<sup>10</sup> This characterization was quickly rejected by the Mexican government and revised by Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela, the Director of the White House's Office of National Drug Control Policy Gil Kerlikowske, and later reportedly by President Barack Obama.<sup>11</sup> It became clear that the Obama Administration generally rejects the term "insurgency" as a way to describe the network of drug traffickers in Mexico and their objectives. However, many U.S. government officials have concerns about the Mexican government's capacity to lower the violence in Mexico and control insurgent-like or terrorist tactics being employed by the DTOs. Furthermore, the U.S. government continues to define the Mexican DTOs as "the greatest organized crime threat" to the United States today.<sup>12</sup>

## Background on Drug Trafficking in Mexico

Drug trafficking organizations have operated in Mexico for more than a century. The DTOs can be described as global businesses with forward and backward linkages for supply and distribution in many countries. As businesses, they are concerned with bringing their product to market in the most efficient way in order to maximize their profits. The Mexican DTOs are the major wholesalers of illegal drugs in the United States and increasingly are gaining control of U.S. retail level distribution through alliances with local U.S. gangs. Their operations, however, are markedly less violent in the United States than in Mexico despite their known presence in more than 230 U.S. cities.<sup>13</sup> As illegal businesses that serve a high demand (including the vast drug

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<sup>9</sup> See, for example, Amnesty International, *Mexico: New Reports of Human Rights Violations by the Military*, London, December 2009.

<sup>10</sup> "A Conversation with U.S. Secretary of State Hillary Rodham Clinton," Council on Foreign Relations, September 8, 2010. Transcript available at [http://www.cfr.org/publication/22896/conversation\\_with\\_us\\_secretary\\_of\\_state\\_hillary\\_rodham\\_clinton.html](http://www.cfr.org/publication/22896/conversation_with_us_secretary_of_state_hillary_rodham_clinton.html).

<sup>11</sup> Assistant Secretary of State Valenzuela and Director of the White House Office of National Drug Control Policy Kerlikowske made remarks at the annual Conference on the Americas qualifying what Secretary of State Clinton had said earlier in the day, September 8, 2010. President Obama reportedly negated the comparison of Mexico to Colombia 20 years ago in comments he made to the Spanish language newspaper *La Opinión*. The White House did not provide an English translation of the remarks printed in *La Opinión*. See: "Mexico Drug War Not Comparable to Colombia: Obama," *Reuters*, September 10, 2010, at <http://www.reuters.com/article/idUSTRE6885TH20100910>.

<sup>12</sup> U.S. Department of Justice, National Drug Intelligence Center (NDIC), *2009 National Drug Threat Assessment*, December 2008 and *2010 National Drug Threat Assessment*, February 2010. See also U.S. Department of State, *International Narcotics Control Strategy Report (INCSR)*, March 2010.

<sup>13</sup> U.S. Department of Justice, National Drug Intelligence Center, National Drug Threat Assessment, 2009. The NDTA, 2009, estimated that the Mexican DTOs maintain drug distribution networks in at least 230 U.S. cities and annually transport multi-ton quantities of illicit drugs into the United States using a variety of modalities. The NDTA, 2010, February 2010, states "Direct violence similar to the violence occurring among major DTOs in Mexico is rare in the United States." For a discussion of why the violence has not spread into the United States see CRS Report R41075, (continued...)

demand of the neighboring United States), the DTOs use the tools of bribery and violence which are complementary. Violence is used to discipline, enforce transactions, limit the entry of competitors, and coerce. Bribery and corruption help neutralize government action against the DTOs, ensure impunity, and facilitate smooth operations.

The cash generated by drug sales and smuggled back into Mexico is used in part to corrupt U.S. and Mexican border officials<sup>14</sup> and Mexican law enforcement, security forces, and public officials to either ignore DTO activities or to actively support and protect them. Mexican DTOs advance their operations through widespread corruption; when corruption fails to achieve cooperation and acquiescence, violence is the ready alternative. Police corruption has been so extensive that law enforcement officials working for the DTOs sometimes carry out their violent assignments. Purges of municipal, state, and federal police have not contained the problem. The continuing challenge of police corruption was illustrated in the August 2010 firing of 3,200 officers, about 10% of the 34,500-federal force, by Mexico's Federal Police Commissioner after they failed basic integrity tests. Another 465 officers were to lose their jobs, including a police chief, for failing to carry out their duties.<sup>15</sup> Arrests of public officials accused of cooperating with the DTOs have not been followed by convictions. For example in May 2009, federal authorities arrested ten Mexican mayors and 18 other state and local officials in the President's home state of Michoacán for alleged ties to drug trafficking organizations. All but one individual were subsequently released because their cases did not hold up in court.<sup>16</sup> The corruption has taken place in states and localities governed by each of the three major political parties in Mexico, indicating that no party is immune.<sup>17</sup>

The relationship of Mexico's drug traffickers to the government and to one another is now a rapidly evolving picture and any current snapshot (such as the one provided in this report) must be continually adjusted. In the early 20<sup>th</sup> century, Mexico was a source of marijuana and heroin to the United States. In the 1940s, Mexican drug smugglers were already notorious in the United States.<sup>18</sup> The growth and entrenchment of Mexico's drug trafficking networks occurred during a period of one-party rule in Mexico by the Institutional Revolutionary Party (PRI) that governed for 71 years.<sup>19</sup> During that period, the government was centralized, hierarchical and, to a large degree, it tolerated and protected some drug production and trafficking in certain regions of the country, even though the PRI government did not generally tolerate crime.<sup>20</sup> According to numerous accounts, for many years the Mexican government pursued an overall policy of accommodation. Under this system, arrests and eradication of drug crops took place, but due to

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(...continued)

*Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence.*

<sup>14</sup> For further discussion of corruption of U.S. and Mexican officials charged with securing the border, see CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>15</sup> *Economist Intelligence Unit*, "Mexico Politics: Whither the War on Drugs?," September 2, 2010.

<sup>16</sup> David Luhnow, "Questions Over Tape Face Mexico Politician," *Wall Street Journal*, October 16, 2010.

<sup>17</sup> Luis Astorga and David A. Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper Series on U.S.-Mexico Security Cooperation, April 2010, p. 11.

<sup>18</sup> *Ibid.* p. 4.

<sup>19</sup> For more on the political history of Mexico, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Clare Ribando Seelke.

<sup>20</sup> Astorga and Shirk, *op. cit.*, p. 5.

the effects of widespread corruption the system was “characterized by a working relationship between Mexican authorities and drug lords” through the 1990s.<sup>21</sup>

The stability of the system began to fray in the 1990s as Mexican political power decentralized and the push toward democratic pluralism began first at the local level and then nationally with the election of the National Action Party (PAN) candidate Vicente Fox as President in 2000.<sup>22</sup> The process of democratization upended the equilibrium that had developed between state actors (such as the Federal Security Directorate that oversaw domestic security from 1947 to 1985) and organized crime. No longer were certain officials able to ensure the impunity of drug traffickers to the same degree and to regulate competition among Mexican DTOs for drug trafficking routes, or *plazas*. To a large extent, the current anti-government DTO violence appears to be an attempt to re-establish impunity while the inter-cartel violence seems to be attempts to re-establish dominance over specific drug trafficking plazas.

Before this political development, an important transition in the role of Mexico in the international drug trade took place during the 1980s and early 1990s. As Colombian DTOs were forcibly broken up, the highly profitable traffic of cocaine into the United States was gradually taken over by Mexican traffickers. The traditional trafficking route used by the Colombians through the Caribbean was shut down by intense enforcement efforts of the U.S. government. As Colombian DTOs lost this route they increasingly subcontracted the trafficking of cocaine produced in the Andean region to the Mexican DTOs who they paid in cocaine rather than cash. These already strong organizations gradually took over the cocaine trafficking business, evolving from being mere couriers for the Colombians to being the wholesalers they are today. According to the U.S. government, more than 95% of cocaine destined for the U.S. market now flows through Mexico.<sup>23</sup> As Mexico's drug trafficking organizations rose to dominate the U.S. drug markets in the 1980s and 1990s, the business became even more lucrative. This “raised the stakes” which encouraged the use of violence in Mexico necessary to protect and promote market share. The violent struggle between DTOs over strategic routes and warehouses where drugs are consolidated before entering the United States reflects these higher stakes.

Today the major Mexican DTOs are polydrug, handling more than one type of drug although they may specialize in the production or trafficking of specific products. Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for cocaine sold in the United States. The west coast state of Sinaloa (See **Figure 1**), which has a long coastline and difficult-to-access areas favorable for drug cultivation, is the heartland of Mexico's drug trade. Marijuana and poppy cultivation has flourished in this state for decades.<sup>24</sup> It has been the source of Mexico's most notorious and successful drug traffickers. According to the U.S. Department of Justice's 2010 National Drug Threat Assessment published in February, marijuana smuggling from Mexico has doubled since 2004 and is now higher than at

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<sup>21</sup> Francisco E. Gonzalez, “Mexico's Drug Wars Get Brutal,” *Current History*, February 2009.

<sup>22</sup> Shannon O'Neil, “The Real War in Mexico: How Democracy Can Defeat the Drug Cartels,” *Foreign Affairs*, vol. 88, no. 4 (July/August 2009).

<sup>23</sup> U.S. Department of State, *International Narcotics Control Strategy Report (INCSR), Volume 1*, March 1, 2010, at <http://www.state.gov/documents/organization/137411.pdf>; CRS consultation with the Drug Enforcement Administration, December 20, 2010.

<sup>24</sup> The region where Sinaloa comes together with the states of Chihuahua and Durango is a drug-growing area sometimes called Mexico's “Golden Triangle” after the productive area of Southeast Asia by the same name. In this region, a third of the population is estimated to make their living from the illicit drug trade. See Tim Johnson, “For Mexican Cartels, Marijuana is Still Gold,” *San Jose Mercury News*, September 5, 2010.



any time in the last two decades. Cultivation of poppies from which heroin is derived has more than doubled, to 15,000 hectares as of September 2009 from 6,900 hectares in 2008 according to the U.S. State Department.<sup>25</sup> Production of methamphetamine is also believed to be climbing, suggested by the number of laboratories that were destroyed by the Mexican authorities in 2009 (three times greater than the year before).<sup>26</sup> In the United States, the availability of cocaine declined in 2009, which some authorities have attributed in part to an increase in law enforcement efforts in both Mexico and the United States. Coca production in Colombia has also declined, and there has been an increasing flow of Colombian cocaine to other regions such as West Africa and Europe.

Mexican DTOs have also become poly-criminal organizations engaging in a wide variety of criminal activities in addition to selling illegal drugs. They have branched into other profitable crimes such as kidnapping, assassination for hire, auto theft, prostitution, extortion, money-laundering, and human smuggling. The surge in violence due to inter- and intra-cartel conflict over lucrative drug smuggling routes has been accompanied by an increase in kidnapping for ransom and other crimes.<sup>27</sup> While some believe this branching into other criminal activities is evidence of organizational vitality and growth, others believe this diversification is a sign that U.S. and Mexican drug enforcement measures are suppressing drug trafficking profits.

## **Mexico's Major Drug Trafficking Organizations**

By President Calderón's inauguration in December 2006, there were four dominant DTOs: the Tijuana/Arellano-Felix organization (AFO), the Sinaloa cartel, the Juárez/Vicente Carrillo Fuentes organization (CFO), and the Gulf cartel. Since the Calderón antidrug crackdown began, these organizations have become more competitive as they have sought control over different drug trafficking routes, or "plazas." They have increased their transportation and distribution networks and displaced other Latin American DTOs, such as the Colombians. Today, seven Mexican drug organizations now dominate the landscape and control trafficking routes into the United States. (See **Figure 1**). They are: Sinaloa, Tijuana/AFO, Juárez/CFO, Beltrán Leyva organization, Los Zetas, Gulf, and La Familia Michoacana. Notably, the Gulf cartel based in northeastern Mexico was considered one of the most powerful DTOs in the country in terms of territory and profit until President Calderón came to office. Since then, the Gulf cartel's enforcers—Los Zetas, who were organized around Mexican military deserters—have split to form a separate DTO and turned against their former employers. The well-established Sinaloa DTO with roots in western Mexico has fought with brutal force for increased control of routes through Chihuahua and Baja California with the goal of becoming the dominant DTO in the country. Sinaloa has a more decentralized structure of loosely linked smaller organizations which has been susceptible to conflict when units break away. Nevertheless, the decentralized structure enables it to be quite nimble and adaptable in the highly competitive and unstable environment that now prevails.<sup>28</sup>

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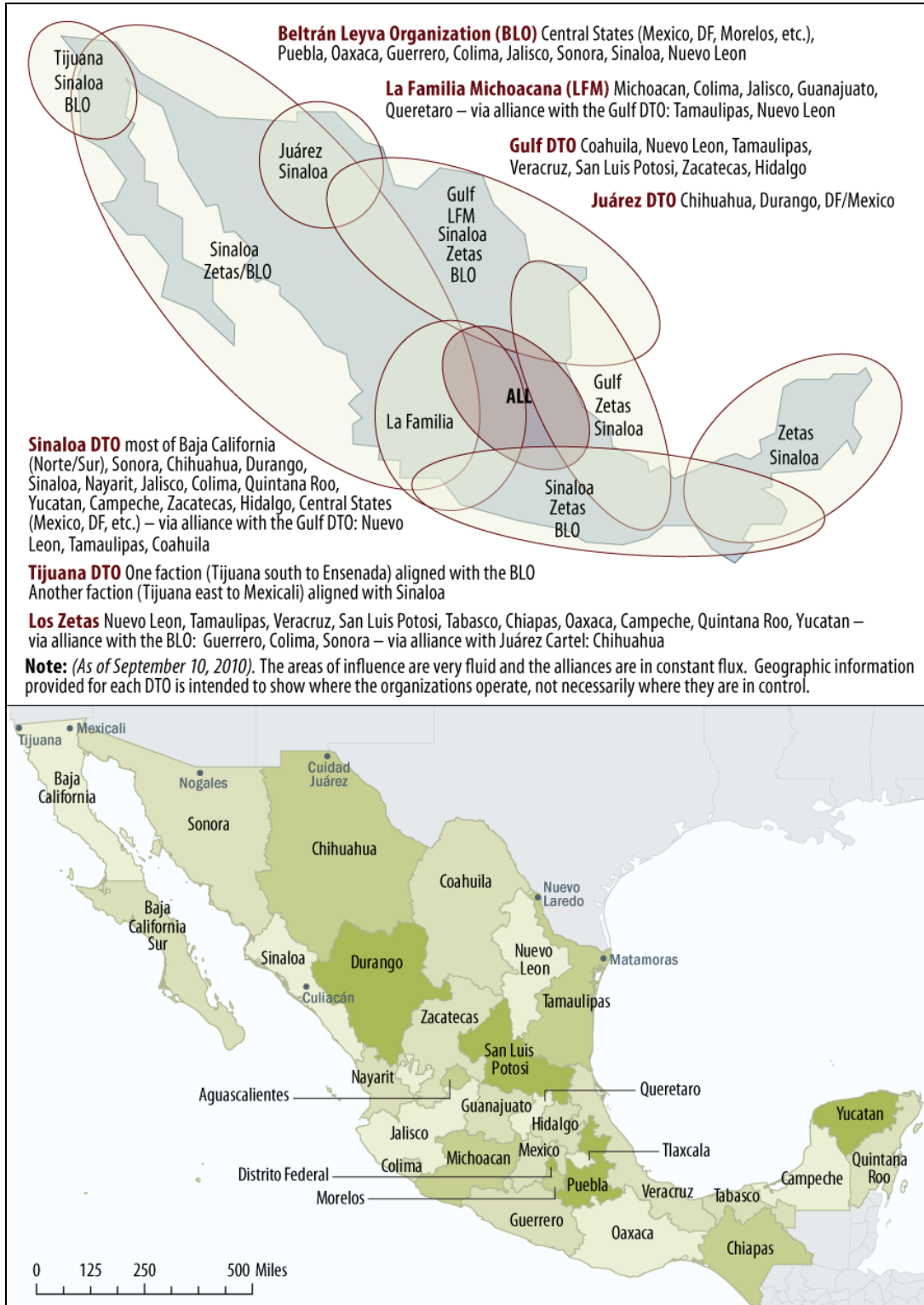
<sup>25</sup> U.S. Department of State, *INCSR 2010*.

<sup>26</sup> Ibid. William Booth and Anne-Marie O'Connor, "Mexican Cartels Emerge as Top Source for U.S. Meth," *Washington Post*, November 28, 2010.

<sup>27</sup> DTO proceeds derived from other organized crime businesses such as kidnapping are unknown. There is also no consensus on the number of kidnappings that take place, many of which go unreported.

<sup>28</sup> Oscar Becerra, *Traffic Report - Battling Mexico's Sinaloa Cartel*, Jane's Information Group, May 7, 2010. The author describes the networked structure: "The Sinaloa Cartel is not a strictly vertical and hierarchical structure, but instead is a complex organization containing a number of semi-autonomous groups."

Figure I. DTOs Areas of Influence Map



Source: Upper map from U.S. Drug Enforcement Administration, September 2010, adapted by CRS graphics. Lower map CRS graphics.

**Tijuana/Arellano-Felix Organization (AFO)**— One of the founders of modern Mexican DTOs, Miguel Angel Felix Gallardo, a former police officer from Sinaloa, created a network that included the Arellano Felix family, and numerous other DTO leaders such as Rafael Caro Quintero, Amado Carrillo Fuentes, and current fugitive Joaquín “El Chapo” Guzmán. The seven “Arellano Felix” brothers (five of whom dedicated themselves to the drug business) and four sisters inherited their drug fiefdom from their uncle, Miguel Angel Felix Gallardo, after his arrest in 1989 for the murder of DEA Special Agent Enrique “Kiki” Camarena.<sup>29</sup> In the late 1990s and the early 2000s, this DTO was one of the two dominant organizations, and competed against the more powerful Juárez organization. The AFO structure began to dissolve after several of its leaders were arrested. Of the Arellano Felix brothers, in 2002 Ramón was killed and Benjamin was later arrested. In October 2008, Eduardo Arellano, the last of the brothers, was apprehended in Tijuana. A bloody battle for control broke out in 2008 when the AFO organization split into two factions. In the vacuum left by the arrests of the AFO’s key players, other DTOs in the region attempted to assert control over the profitable Tijuana/Baja California-San Diego/California border plaza. The AFO suffered another blow when Eduardo Teodoro “El Teo” Garcia Simental, a former AFO lieutenant, aligned himself with the Sinaloa cartel, which led to a surge of violence in Tijuana. The organization is thought to have been responsible for a series of murders and to have close ties with corrupt police and “narco juniors”<sup>30</sup> who facilitate their operations. Since the January 2010 arrest of Garcia Simental, violence in Tijuana has markedly decreased.<sup>31</sup> Some government officials have claimed the decrease in violence is a law enforcement success, while others suggest competing DTOs may have come to an agreement on the use of the drug trafficking route.<sup>32</sup>

**Sinaloa DTO**—This organization retains the Sinaloa core that has descended from the Felix Gallardo network. By 2008, a federation dominated by the Sinaloa cartel (which included the Beltrán Leyva organization and the Juárez cartel) broke apart. Headed by the fugitive prison escapee and billionaire Joaquín “El Chapo” Guzmán, the Sinaloa DTO emerged as an effective leader in moving cocaine from South America to the United States. Sinaloa, still composed of a network of smaller organizations, has grown to be the dominant DTO operating in Mexico today, controlling by one estimate 45% of the drug trade in Mexico.<sup>33</sup> In addition to Guzmán, top leadership of the DTO includes Ismael “El Mayo” Zambada García. Examining arrest data from the period of the Calderón antidrug effort, some analysts believe they have detected a pattern favoring the Sinaloa DTO whose members have not been arrested at the same rates as competing DTOs. President Calderón has strongly denied any accusation of favoritism.<sup>34</sup> The Mexican

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<sup>29</sup> Special Agent Camarena was an undercover DEA agent working in Mexico who was kidnapped, tortured, and killed in 1985. The Felix Gallardo network broke up in the wake of the investigation of its role in the murder. The famous case and ensuing investigation is chronicled on a DEA website honoring Agent Camarena’s memory at [http://www.justice.gov/dea/ongoing/red\\_ribbon/redribbon\\_history.html](http://www.justice.gov/dea/ongoing/red_ribbon/redribbon_history.html).

<sup>30</sup> The AFO frequently recruited children from wealthy Mexican families, commonly referred to as “narco juniors,” who had U.S. citizenship and could travel between countries to help with transshipments.

<sup>31</sup> Sandra Dibble, “Tijuana Violence Slows, Drops from Spotlight,” *San Diego Union Tribune*, April 26, 2010. Following the January 12, 2010 arrest of Teodoro “El Teo” Garcia Simental, his brother, Manuel, and their chief lieutenant Raydel Lopez Uriarte, were arrested on February 8, 2010. For more information, see testimony of Anthony P. Placido, Assistant Administrator for Intelligence, Drug Enforcement Administration and Kevin L. Perkins, Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, before the Senate Caucus on International Narcotics Control, May 5, 2010.

<sup>32</sup> Interview with David Shirk, Director of the Trans-Border Institute, University of San Diego, May 13, 2010.

<sup>33</sup> “Outsmarted by Sinaloa: Why the Biggest Drug Gang Has Been Least Hit,” *Economist*, January 7, 2010.

<sup>34</sup> *Ibid.* See also: John Burnett and Marisa Peñaloza, “Mexico’s Drug War: A Rigged Fight,” National Public Radio, All (continued...)

military's July 2010 killing of Ignacio Coronel Villarreal (alias El Nacho), reportedly the third highest leader overseeing Sinaloa operations in central Mexico, has given credence to the argument that Sinaloa has taken serious hits like the others. Sinaloa reportedly has a substantial international presence, including throughout South America, Europe, and West Africa.

**Juárez/Vicente Carrillo Fuentes Organization**—This DTO is led by Vicente Carrillo Fuentes who took over from his brother Amado, founder of the DTO, who died in 1997. Vicente oversaw the operations when the Juárez DTO was part of the Sinaloa federation that split apart in 2008.<sup>35</sup> The Juárez DTO and its enforcement arm, La Línea, have ferociously fought their former Sinaloa ally to maintain their core territory, the Ciudad Juárez corridor abutting El Paso, Texas. Since 2008, this three-year battle has raged resulting in thousands of drug trafficking-related deaths in Ciudad Juárez, making the surrounding Mexican state of Chihuahua the deadliest in the country.<sup>36</sup> The Juárez DTO has reportedly been worn down by the conflict and resorted to other lucrative activities to finance its battle, including domestic drug sales in Ciudad Juárez (where rates of abuse are among the highest in Mexico). The Juárez DTO has battled for control of local drug markets with proxy street gangs. Los Aztecas, one of the larger gangs, is fighting for the Juárez organization against the Artistas Asesinos and the Mexicales representing the Sinaloa DTO.<sup>37</sup>

**Gulf DTO**— The Gulf DTO is based in the border city of Matamoros in the northeastern Mexican state of Tamaulipas. It arose in the bootlegging era of the 1920s. In the 1980s, its leader, Juan García Abrego, developed ties to Colombia's Cali cartel as well as to the Mexican Federal Police. His violent successor, Osiel Cárdenas Guillén, successfully corrupted elite Mexican military forces sent to capture him. Those corrupted military personnel became known as Los Zetas and fused with the Gulf cartel. At the beginning of the 21<sup>st</sup> century, Gulf was considered one of the most powerful Mexican DTOs. Cárdenas was arrested by Mexican authorities in 2003, but he successfully ran his drug enterprise from prison.<sup>38</sup> The violent power struggle to succeed him did not begin until his extradition to the United States in early 2007. (In February 2010, Cárdenas was sentenced to serve 25 years in a U.S. prison). Despite a power struggle for leadership and successful law enforcement operations against it, the Gulf organization continues to successfully move drugs. On November 5, 2010, Osiel's brother, Antonio Ezequiel Cárdenas Guillén, (alias Tony Tormenta) was killed in Matamoros in a gun battle by Mexican marines. He had risen to a top position in the Gulf DTO following his brother's extradition. His death is expected to increase violence in the near term as the weakened Gulf DTO attempts to fight off a renewed assault by its former allies, Los Zetas.<sup>39</sup>

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Things Considered, May 18, 2010.

<sup>35</sup> Some analysts trace the origins of the split to a personal feud between "El Chapo" Guzmán of the Sinaloa DTO and former Juárez ally Vicente Carrillo Fuentes. In 2004, Guzmán allegedly ordered the killing of Rodolfo Carrillo Fuentes, another of Vicente's brothers. Guzmán's son, Edgar, was killed in May 2008 allegedly on orders from Carrillo Fuentes. See Alfredo Corchado, "Juárez Drug Violence Not Likely To Go Away Soon, Authorities Say," *Dallas Morning News*, May 17, 2010.

<sup>36</sup> Molly Molloy, research librarian at New Mexico State University, keeps a tally of homicides as reported in the Juárez media and the official reports from the Chihuahua Attorney General. She and others have reported more than 3,000 deaths in Ciudad Juárez in 2010, and more than 7,800 deaths in the beleaguered city from January 2007 through the end of 2010. See: Frontera List, at <http://groups.google.com/group/frontera-list>.

<sup>37</sup> Strafor Global Intelligence, *Mexican Drug Cartels: Two Wars and a Look Southward*, December 17, 2009.

<sup>38</sup> George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New Brunswick, NJ: Transaction Publishers, 2010), pp. 72-73.

<sup>39</sup> Nacha Cattán, "Killing of Top Mexico Drug Lord 'Tony Tormenta' May Boost Rival Zetas Cartel," *Christian* (continued...)

**Los Zetas**—This group was originally composed of former elite airborne special force members of the Mexican Army who defected to the Gulf cartel and became their hired assassins.<sup>40</sup> In 2008, Los Zetas began to contract their services to other DTOs operating throughout the country, notably the Beltrán Leyva organization and the Juárez DTO.<sup>41</sup> Los Zetas split with the Gulf cartel in 2009 to become an independent DTO. Since February 2010, Los Zetas and the Gulf cartel have been battling in Tamaulipas and Nuevo León for control of drug smuggling corridors. Both DTOs have reportedly stolen oil from PEMEX, the state oil company, to sell for a profit.<sup>42</sup> Los Zetas gained power under the leadership of Heriberto Lazcano Lazcano.<sup>43</sup> The Zetas have expanded their operations to Central America to collaborate with their Guatemalan equivalent, Los Kaibiles, and with Central American gangs in an effort to take control of cocaine shipments from Guatemala to Mexico.<sup>44</sup> What is especially significant is that in order to fight Los Zetas the Gulf cartel has allied itself with two former enemies—La Familia Michoacana (LFM) and the Sinaloa cartel—creating an environment of urban warfare with commando-style raids on state prisons, abduction of journalists, murder of police, and attacks on military posts. They have organized elaborate road blockades during their violent operations to prevent legitimate police from responding.<sup>45</sup> In 2010, the battle for territory between the Zetas and the Gulf-Sinaloa-La Familia alliance (a temporary alliance of convenience) has increased casualties among the government's security forces.<sup>46</sup> Some observers argue that this killing does not suggest a tactic by the DTOs to target government officials, but rather an increase in inter-cartel rivalry.<sup>47</sup>

**Beltrán Leyva Organization (BLO)**—Until 2008, this syndicate was a part of the Sinaloa federation and controlled access to the U.S. border in Sonora state. The January 2008 arrest of Alfredo Beltrán Leyva, brother of the syndicate's leader, Arturo and a leading lieutenant in the organization, is believed to have been abetted by "El Chapo" Guzmán, the top leader of the Sinaloa DTO. The loss of Alfredo cemented the animosity between the two organizations. Despite

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*Science Monitor*, November 8, 2010.

<sup>40</sup> Most reports indicate that Los Zetas were created by a group of 30 lieutenants and sub-lieutenants who deserted from the Mexican military's Special Mobile Force Group (Grupos Aeromóviles de Fuerzas Especiales, GAFES) to join the Gulf Cartel in the late 1990s. See CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

<sup>41</sup> Scott Stewart and Alex Posey, *Mexico: The War with the Cartels in 2009*, Stratfor Global Intelligence, December 9, 2009; DEA maintains the split between Los Zetas and the Gulf DTO began in March 2008 at the same time there was growing evidence that Los Zetas had aligned themselves with the BLO. CRS consultation with the Drug Enforcement Administration, December 20, 2010.

<sup>42</sup> William Booth, "Drug War Violence Appears in Mexico's Northeast, Near Texas border," *Washington Post*, April 21, 2010.

<sup>43</sup> According to one account, Los Zetas are active throughout the Gulf Coast with centers of operation in Veracruz, the southern states of Tabasco, Yucatán, Quintana Roo, and Chiapas, and in the Pacific Coast states of Guerrero and Oaxaca, as well as Aguascalientes and Zacatecas. They are also gaining dominance in Mexico State and Hidalgo, which they use for gaining entree to Mexico City. See chapter "Emerging and New Narco Sects—Los Zetas and La Familia," in George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New Brunswick, NJ: Transaction Publishers, 2010.)

<sup>44</sup> Steven S. Dudley, "Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras," in *Shared Responsibility: U.S.-Mexico Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington, DC: Woodrow Wilson International Center for Scholars and the University of San Diego, 2010).

<sup>45</sup> William Booth, "Drug War Violence Appears in Mexico's Northeast, Near Texas Border," *Washington Post*, April 21, 2010.

<sup>46</sup> "The War Is Mainly Between the Drug Cartels," *Latin American Security and Strategic Review*, April 2010.

<sup>47</sup> *Ibid.*

resistance from the Sinaloa federation, the BLO successfully secured drug transport routes in the states of Sinaloa, Durango, Sonora, Jalisco, Michoacán, Guerrero and Morelos. In addition, the BLO, like other dominant Mexican DTOs, is believed to have infiltrated the upper levels of the Mexican government to help maintain its strong presence and control.<sup>48</sup> The BLO has executed uncooperative officials, and is believed to be responsible for the May 2008 assassination of acting federal police director Edgar Millan Gomez.<sup>49</sup> The organization has shown a high level of sophistication in its operations, forming strategic alliances with Los Zetas to fight for important drug territory against the Gulf, Sinaloa and La Familia DTOs. The BLO had long-standing links to Colombian sources, and control over multiple and varied routes into Mexico. Along with the Sinaloa DTO, it had also enjoyed a significant presence in southern Mexico.

The organization suffered a series of setbacks at the hands of the Mexican security forces beginning with the December 2009 killing of Arturo Beltrán Leyva during a raid conducted by the Mexican navy and the arrest of Carlos Beltrán Leyva in January 2010. Some experts believe that the remaining Beltrán Leyva brother, Hector, is the acting head of the organization now that the three others have been arrested or killed. Gerardo Alvarez-Vazquez, who was arrested in April 2010, had been fighting for increased control of the DTO against Hector along with Edgar Valdez Villarreal (alias La Barbie).<sup>50</sup>

On August 30, 2010, Edgar Valdez was arrested by the Mexican military, constituting a major victory for the Mexican authorities and for President Calderón's drug strategy.<sup>51</sup> Valdez reportedly was one of the rare Mexican Americans who was a top leader of a Mexican DTO.<sup>52</sup> The power vacuum left by the death of Arturo Beltrán Leyva had led to major fighting among members of the BLO and contributed significantly to violence in the central region of the country such as the state of Morelos in early and mid-2010.<sup>53</sup> The capture of Valdez (who had a \$2 million reward for his arrest in both the United States and Mexico) may decrease the BLO's importance and lead to an internal power struggle, or a struggle by other DTOs to take control of the BLO routes. Edgar Valdez's arrest may be followed by his extradition to the United States where he is wanted for cocaine smuggling and conspiracy.

**La Familia Michoacana (LFM)**—This DTO is a newer organization that acquired notoriety for its hyper-violent crimes in 2006 although it traces its roots back to the 1980s. Although it started as a vigilante group to eradicate drug use in Mexico and Michoacán where it is based, the DTO has specialized in methamphetamine production and smuggling (reportedly for sale in the United

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<sup>48</sup> James C. McKinley, Jr. "Keeping Resident Close, and Maybe a Cartel Closer, Mexican Mayor's First Months in Office Marked by Scandal, Twists," *Pittsburgh Post-Gazette*, April 25, 2010.

<sup>49</sup> Stratfor Global Intelligence, *Mexico: The Cartel Turf War Intensifies*, May 9, 2008.

<sup>50</sup> Ivan Moreno, "Mexico City Area Shootout Leads to Arrest of Major Alleged Drug Trafficker," *Associated Press*, April 23, 2010.

<sup>51</sup> The Mexican government's strategy to remove high value targets or kingpins has been especially productive since the end of 2009 when Arturo Beltrán Leyva was killed. That event was followed in 2010 by the arrest or attempted arrest and killing of several other key leaders or top lieutenants vying for leadership such as Edgar Valdez. At the close of 2010, the pace of the strategy to take out top leaders seemed to be increasing.

<sup>52</sup> Edgar Valdez is an American-born drug smuggler from Laredo, Texas and allegedly started his career in the United States dealing marijuana. His nickname is "La Barbie" because of his fair hair and eyes. Nicholas Casey and Jose de Cordoba, "Alleged Drug Kingpin Is Arrested in Mexico," *Wall Street Journal*, August 31, 2010.

<sup>53</sup> "15 Suspected Drug Cartel Enforcers Captured in Mexico," *EFE News Service*, April 24, 2010; Trans-Border Institute, Justice in Mexico, *February and March 2010 News Reports*.

States only) and is also a vigorous trafficker of marijuana, cocaine, and heroin.<sup>54</sup> LFM is known for its use of extreme symbolic violence and a pseudo-ideological or religious justification for its existence. According to one study, the LFM is “a hybrid fusion of criminal drug enterprise entity and Christian evangelical beliefs” combining social, criminal, and religious elements in one movement.<sup>55</sup> LFM is known for leaving signs on corpses and at crime scenes, describing their actions as “divine justice.”<sup>56</sup> It also has reportedly made donations of food, medical care, and schools to benefit the poor in order to project a “Robin Hood” image.<sup>57</sup> Once affiliated with Los Zetas (when the Gulf and Zeta DTOs were merged), the LFM now violently opposes the rival DTO. Declared Mexico’s most violent DTO in 2009 by Mexico’s then-Attorney General, LFM has used some of the ruthless techniques learned from the paramilitary Zetas.<sup>58</sup> In 2010, however, LFM played a less prominent role, and in November 2010, the LFM reportedly called for a truce with the Mexican government.<sup>59</sup> In a December 10, 2010, gun battle with the Mexican federal police, the LFM’s spiritual leader Nazario Moreno González (alias El Más Loco) was killed, according to Mexican authorities.<sup>60</sup> LFM reportedly has suborned politicians in the states where it operates: Michoacán, Guerrero, Guanajuato, Mexico, Jalisco and Queretaro.<sup>61</sup> In Mexico state, it competes with Sinaloa, Los Zetas, and the Beltrán Leyva organization.

## Characteristics of the Increased Violence

As the DTOs have fractured and more organizations vie for control of trafficking routes, the level of inter- and intra-cartel violence has spiked. Inter-DTO violence is used when the cartels fight one another to dominate trafficking routes. Besides inter-DTO violence (between the different organizations), there has been widespread violence within the organizations, as factions battle in succession struggles to replace fallen or arrested leaders. The succession battles are hastened by the drug war victories by the Mexican government. In describing the violence resulting from the elimination of a leader, one observer refers to “internal vacancy chains” that result when an organization is squeezed by the government and there is great uncertainty about how the leader will be replaced (either through internal succession or external replacement). In some cases, the weakened DTO will be attacked by other DTOs in a “feeding frenzy” until the uncertainty of succession is resolved.<sup>62</sup> Thus highly charged violence may result from asymmetric weakening of competitive organizations.<sup>63</sup> Intra-DTO violence is also used to assert leadership inside the cartel

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<sup>54</sup> Finnegan, op. cit. With regard to heroin, LFM has allowed independent traffickers to cultivate opium poppies and to produce heroin for a “tax” in Michoacán, according to a source at the U.S. Embassy in Mexico City.

<sup>55</sup> Robert J. Bunker and John P. Sullivan, “Cartel Evolution Revisited: Third Phase Cartel Potentials and Alternative Futures in Mexico,” *Small Wars & Insurgencies*, vol. 21, no. 1 (March 2010), p. 45.

<sup>56</sup> Finnegan, op. cit.

<sup>57</sup> Samuel Logan and John P. Sullivan, *Mexico's Divine Justice*, ISN Security Watch, August 17, 2009.

<sup>58</sup> Sidney Weintraub and Duncan Wood, *Cooperative Mexican-U.S. Antinarcotics Efforts*, Center for Strategic and International Studies, November 2010.

<sup>59</sup> Stratfor Global Intelligence, *Mexican Drug Wars: Bloodiest Year to Date*, December 20, 2010.

<sup>60</sup> Ibid.

<sup>61</sup> Stratfor Global Intelligence, *Mexican Drug Cartels: Two Wars and a Look Southward*, December 17, 2009.

<sup>62</sup> Phil Williams, “El Crimen Organizada y la Violencia en Mexico: Una Perspectiva Comparativa,” *ISTOR: Revista de Historia Internacional*, 11th Year, Number 42, Fall 2010. Professor Williams argues that the leaders of the DTOs act like medieval barons, “engaged in constant power struggles and fluid alliances,” even as their businesses have fully exploited the opportunities of 21<sup>st</sup> century globalization.

<sup>63</sup> Williams, op. cit.

or to impose organizational discipline and loyalty. The violent response of the DTOs to the government's aggressive security strategy is another key element leading to escalation. Gun battles between government forces and the DTOs are regular occurrences. And with the expansion of democratic pluralism, DTOs are fighting the state to reassert their impunity from the justice system.

Drug trafficking-related violence in Mexico has been brutal, and, in an apparent contradiction, both widespread and concentrated in relatively few municipalities. The violence, while highly concentrated along drug trafficking routes and in a small percentage of Mexican municipalities, has spread to almost every state and flared in the northern border states. There is a debate about exactly how many have perished in the violence. Government estimates that have been released intermittently appear likely to become more regularly reported and consistently available to the public. Based on statistics from the *Reforma* newspaper, considered a conservative tally, the number of drug trafficking-related homicides doubled between 2007 and 2008, rose by more than 20% in 2009, and surpassed 11,000 in 2010 alone.

## Casualty Estimates

In late July 2010, the Mexican government reported that more than 28,000 people had died in drug trafficking-related violence since President Calderón began his antidrug crackdown in December 2006. The Mexican authorities maintain that more than 90% of the casualties were individuals involved in the drug trade, although critics have questioned this assertion and some have noted it does little to mitigate the Mexican public's growing alarm about public safety. The government's figures have neither been verified, nor have the data been released at regular intervals. For instance, in mid-April 2010 (prior to the release of the 28,000 figure), the press reported a leaked confidential Mexican government report intended for the Mexican Senate that estimated that total drug trafficking-related deaths since December 2006 exceeded 22,000, a figure that was significantly higher than what was being regularly reported by the Mexican press.<sup>64</sup> The 22,000 figure and the later 28,000 figure have been used by the U.S. State Department as official government-backed estimates.

For those who have chronicled and attempted to measure the violence, Mexican government information has neither been easy to access nor reported regularly. The Trans-Border Institute (TBI) at the University of San Diego in California and other non-governmental organizations (NGOs) have made repeated requests to the Mexican government for detailed information to substantiate these totals, but the requests have been resisted.<sup>65</sup> To track the violence, TBI and others have turned to Mexican media reporting. Newspapers and other media organizations keep daily tallies of the killings that are considered a close approximation of the overall situation.

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<sup>64</sup> On April 13, 2010, press reports said a leaked confidential Mexican government report intended for the Mexican Senate estimated the total number of drug trafficking-related deaths since December 2006 to be greater than 22,000, a figure that was significantly higher than the totals then being reported in the Mexican media or other open sources. "Total Gang Killings Under-Reported," *Latin American Weekly Report*, April 15, 2010. Several authorities began to report this figure, including the U.S. State Department. See testimony of David T. Johnson, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, Hearing on "Drug Trafficking Violence in Mexico: Implications for the U.S." before the Senate Caucus on International Narcotics Control, May 5, 2010. For additional reporting, see Christian Völkel, "Mexican Drug Violence Has Claimed More Victims than Previously Thought," *IHS Global Insight Daily Analysis*, August 4, 2010.

<sup>65</sup> Angelica Duran-Martinez, Gayle Hazard, and Viridiana Rios, *2010 Mid-Year Report on Drug Violence in Mexico*, Trans-Border Institute, August 2010.



TBI's Justice in Mexico project has used the data collected by the national Mexican newspaper *Reforma* to tabulate Mexico's drug trafficking violence over the past decade. TBI has found that *Reforma* is generally more conservative and cautious about classifying a death as drug-trafficking related than are official sources and other media outlets.<sup>66</sup>

In the absence of consistent government data, *Reforma* data provide comprehensive statistics on the killings in Mexico. The following are the annual totals reported by *Reforma*: 2,280 (2007), 5,153 (2008), 6,587 (2009), and 5,775 for the first half of 2010. The trends in the data match those of the government, especially the sharp increases in 2008-2010, when the average number of deaths per day rose from greater than 14 per day in 2008 to exceed 30 per day by 2010. *Reforma's* classification of a homicide attributed to the drug trafficking organizations is based on criminal justice protocols and characteristics traditionally used by DTOs that are present at the crime scene such as high caliber weapons, decapitations, or "narco" messages.<sup>67</sup> The possibility that other criminals could disguise their murder victims to make them appear to be those of the DTOs is just one cause to question the accuracy of the figures. Further concerns are that authorities often fail to identify and fully investigate drug trafficking-related homicides and that some DTOs will eliminate all evidence of murders.<sup>68</sup> According to the TBI's analysis of *Reforma* data, in mid-December 2010 the total number of killings for the year exceeded 11,000.<sup>69</sup>

The Mexican government announced on September 29, 2010, that for future casualty statistics it will be collaborating with Mexican NGOs to produce a single set of figures on a regular basis. Alejandro Poire,<sup>70</sup> the technical secretary of the National Public Security Council, indicated that the new system for producing the drug trafficking-related crime statistics would become operational in late 2010.<sup>71</sup>

## Locations of the Violence

As the violence in Mexico has sharply increased over the past several years, it has also shifted locations. Drug trafficking-related violence has noticeably increased in the northern border states including Tamaulipas and Nuevo León and remained very high in Chihuahua. As it has spread to new locations, the fear of violence has closed businesses and had an impact on tourism. While Mexico's industries have at the same time been hard hit by the recent global economic downturn, American investors in Mexico have grown concerned about the violence, and in some cities sent home dependents or closed businesses altogether.

In 2008, drug trafficking-related violence was concentrated in a few cities and states. About 60% of the killings took place in three cities: Tijuana (Baja California), Culiacán (Sinaloa), and the highly contested Ciudad Juárez (Chihuahua). By far, the largest number of drug trafficking-related deaths took place in Ciudad Juárez, a city of approximately 1.3 million inhabitants that

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<sup>66</sup> TBI, *Drug Violence in Mexico: Data and Analysis from 2001-2009*, January 2010.

<sup>67</sup> TBI, *2010 Mid-Year Report on Drug Violence in Mexico*, August 2010.

<sup>68</sup> *Ibid.*

<sup>69</sup> TBI, Crime Indicator Database for the Justice in Mexico Project. As of mid-December 2010, based on the *Reforma* data, there were 11,244 drug trafficking-related "executions" for the year.

<sup>70</sup> During the summer of 2010, Mr. Poire was appointed as the government spokesperson for the government's security strategy. Previously, no federal government representative was explaining the government's strategy to the public.

<sup>71</sup> "Government to Overhaul Gang-Killing Figures," *LatinNews Weekly Report*, September 30, 2010.

lies directly across the border from El Paso, Texas. The Mexican border city is where the conflict between the Sinaloa and Juárez DTOs is most focused. (Mexico's National Public Security Council estimates that 36% of the drug trafficking-related deaths in Mexico's drug war from December 2006 through July 2010 can be attributed to this conflict centered in Ciudad Juárez.)<sup>72</sup>

Starting in 2009 and continuing into 2010, the violence has spread to new areas throughout the country. This can be attributed to changing alliances and competition between and within the DTOs, succession struggles when leaders are taken down or eliminated, and DTO efforts to corrupt and intimidate officials to permit the trade.<sup>73</sup> In addition, the intense government crackdown using army and navy forces has provoked a violent response from the DTOs intended to communicate a lack of fear of the government. Meanwhile, Mexico's law enforcement and courts have been ineffective in investigating and prosecuting the perpetrators of violence, leaving the DTOs to continue their attacks free of legal consequences.

Violence spread from northern Mexico near the border south to Durango and Guerrero in 2009, doubling (100% increase) in both states.<sup>74</sup> As in 2009, violence in the first half of 2010 continued along northern Mexico near the U.S./Mexico border including Chihuahua, Nuevo León, and Tamaulipas, (the latter two states being the locus of the 2010 conflict between the Zetas and the short-lived new Federation) and with notable increases in Sinaloa, Guerrero, Durango and the State of Mexico.<sup>75</sup> In 2010, some of the Central Pacific states have seen a large increase in violent activity including Jalisco and Nayarit. Violence in the Central Pacific states (including the State of Mexico, Guerrero, Morelos, Jalisco, and Nayarit) has been attributed to the conflict between factions of the Beltrán Leyva organization and inter-DTO rivalries with La Familia Michoacana and the Sinaloa DTO.<sup>76</sup>

As mentioned earlier, a feature of the violence is that it is highly concentrated along key drug routes and within a relatively few cities and towns. In August 2010 when the Mexican government released a report that it had recorded 28,000 homicides linked to organized crime (from December 2006 through July 2010), they provided some analysis. The data revealed that 80% of drug trafficking-related homicides occurred in 162 of Mexico's 2,456 municipalities, or under 7% of the nation's municipalities.<sup>77</sup> Through additional analysis of municipal-level data, Mexican political scientist Eduardo Guerrero Gutiérrez has identified six clusters of the most violent municipalities in the country.<sup>78</sup> The 36 municipalities he classifies as the most violent are located in five states (there are two high violence zones in the border state of Chihuahua) and

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<sup>72</sup> Mexican Federal Government, "Información Sobre el Fenómeno Delictivo en México," August 2010; David Shirk, "Mexican Government Reveals Distribution of Drug Violence," Justice in Mexico blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>73</sup> The choice of "silver or lead" (either a bribe or a bullet) is forced on many government officials by Mexico's drug traffickers. See William Finnegan, "Silver or Lead," *The New Yorker*, May 31, 2010.

<sup>74</sup> TBI, Justice in Mexico, *January 2010 News Report*.

<sup>75</sup> Angelica Duran-Martinez, Gayle Hazard, and Viridiana Rios, *2010 Mid-Year Report on Drug Violence in Mexico*, Trans-Border Institute (TBI), August 2010.

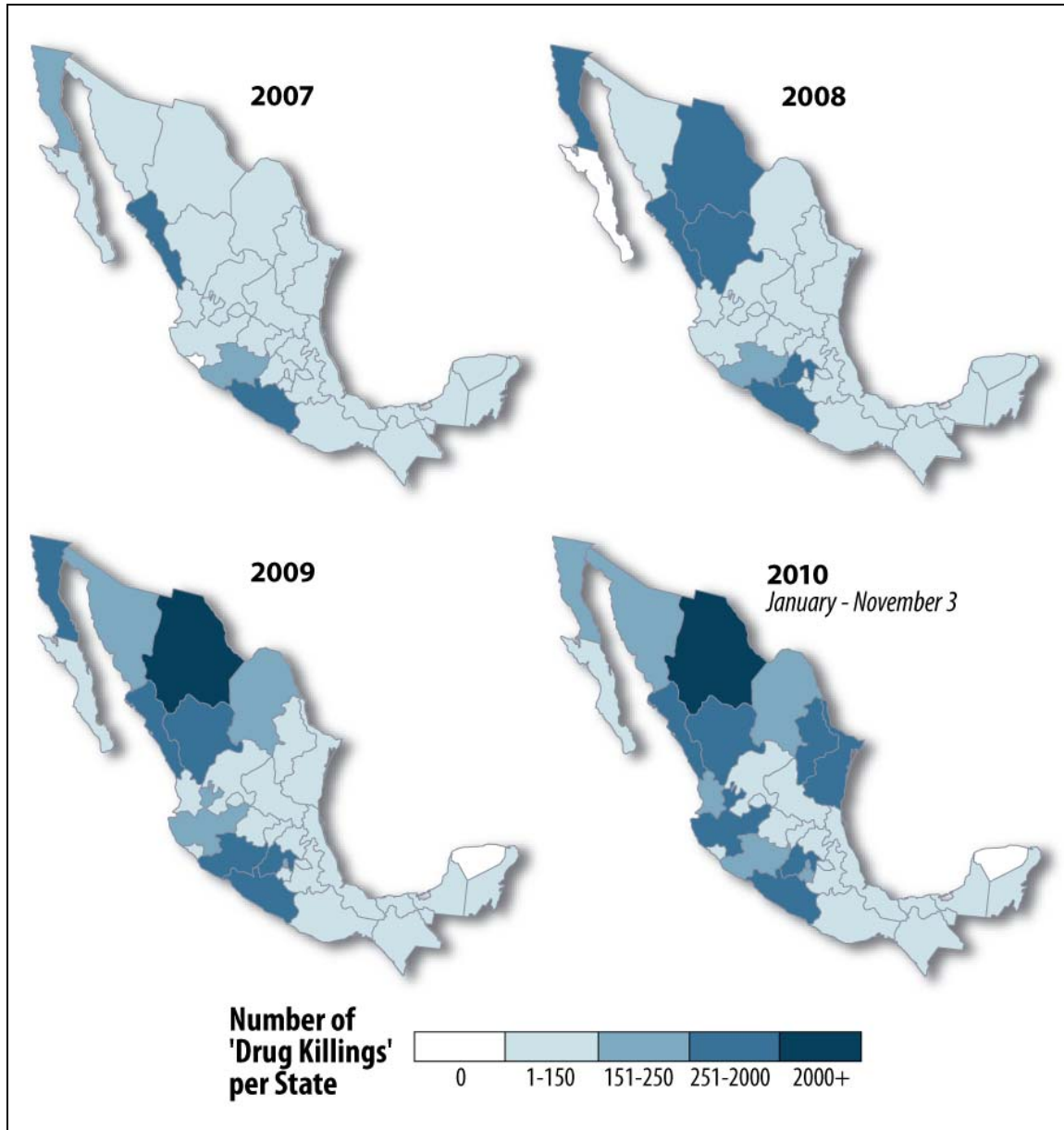
<sup>76</sup> TBI, Justice in Mexico, *November 2010 News Report*.

<sup>77</sup> Mexican Federal Government, "Información Sobre el Fenómeno Delictivo en México," August 2010; David Shirk, "Mexican Government Reveals Distribution of Drug Violence," Justice in Mexico blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>78</sup> Eduardo Guerrero Gutiérrez, "Cómo Reducir La Violencia en México," *Nexos en Línea*, November 3, 2010.

Guerrero argues that if an effective anti-violence strategy targeted these zones, the drug trafficking-related violence could be reduced.<sup>79</sup>

**Figure 2. Drug Trafficking-Related Killings in Mexico by State (2007- November 3, 2010)**



**Source:** Crime Indicator Database of the Trans-Border Institute (TBI) at the University of San Diego, adapted by CRS. The data represented are from *Reforma* newspaper.

**Notes:** Data from 2010 are preliminary and include deaths recorded from January – November 3, 2010 only.

<sup>79</sup> Guerrero, op. cit.

While drug trafficking-related killings remain concentrated in a relatively few cities, the violence is spreading to more populated and economically important urban centers. Killings, kidnappings, and other violence has dramatically increased in Monterrey, Nuevo León, Mexico's third largest city and an industrial hub that lies 135 miles from the United States. Following a spate of kidnappings, the murder of a mayor in a wealthy suburb, and a grenade exploding in front of the offices of broadcast channel Televisa in Monterrey, in August 2010 business and civic leaders from the area published an open letter to President Calderón urging him to send three army battalions and a battalion of marines to combat the drug traffickers.<sup>80</sup> Shortly afterward two bodyguards were killed in a shoot-out in front of an elite school where American expatriates and wealthy Mexicans send their children. The U.S. State Department has granted danger pay to the staff of the five border consulates and the consulate in Monterrey. In addition, the State Department evacuated all employee minor dependents in Monterrey beginning in September 2010. As a result, other Americans living in Monterrey are leaving and some businesses are allowing their employees to send their families back to the United States. Armed DTO road blocks and informal curfews are changing the way of life in what had been one of Mexico's safest and most modern cities.<sup>81</sup>

Besides the departure of business leaders and managers because of violence, foreign direct investment (FDI) has also declined sharply.<sup>82</sup> Major tourist destinations, such as Acapulco, Cancún, Mazatlan, Taxco, and Cuernavaca, have been hit by violence, and the economically vital tourist industry has been affected. Tourism along the U.S.-Mexico border has also suffered a dramatic decline because of fears of violence. In early November 2010, the president of Mexico's employers' federation, Comparmex, released a statement that the violence in certain parts of the country was endangering Mexican businesses. The Calderón government acknowledged the criticism and announced that more assistance would be available to service-sector businesses in blighted areas like Ciudad Juárez.<sup>83</sup> The business association's message was reinforced a couple of days later when the U.S. Ambassador to Mexico, Carlos Pascual, also warned that the violence was becoming intolerable for business and threatening to decrease foreign investment. Pascual cited the results of a U.S. State Department survey conducted in July 2010 that a third of U.S. companies operating in Mexico had been affected by crime (usually either blackmail and kidnapping) and one half had been affected by the government's drug war with the traffickers.<sup>84</sup>

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<sup>80</sup> "Mexico: What is Going on in Monterrey?," *Latin American Weekly Report*, August 19, 2010.

<sup>81</sup> David Luhnow, "Expats Flee Drug War in Mexico's No. 3 City," *Wall Street Journal*, September 11, 2010.

<sup>82</sup> J.P. Morgan's chief economist for Mexico estimated that Mexico's drug trafficking-related violence in 2010 cost the country some \$4 billion in foreign direct investment. See, Nicholas Casey and James R. Hagerty, "Companies Shun Violent Mexico," *Wall Street Journal*, December 17, 2010.

<sup>83</sup> "Business Calls for Action in Killings," *Latin American Weekly Report*, November 4, 2010.

<sup>84</sup> "U.S. Ambassador Warns Mexico," *LatinNews Daily*, November 5, 2010.

## Mexico's Antidrug Strategy and DTO Reaction<sup>85</sup>

President Calderón's military-led crackdown on the drug trafficking organizations has been at the center of his domestic policy, and he launched his aggressive approach almost immediately after his inauguration in December 2006. He has deployed some 50,000 Mexican military and thousands of federal police around the country to combat the DTOs.<sup>86</sup> The basic strategy has been to confront and dismantle the drug trafficking organizations by going after the high-value targets: the leadership of the major DTOs.

The DTOs have fought back strongly, refusing to allow law enforcement actions to take place or go unpunished and making an all out effort to neutralize repressive measures. The DTOs have also demonstrated an unanticipated resilience as their leadership is arrested or killed. Mexico's Secretary of Public Security Genaro Garcia Luna and others have acknowledged that removing the high-value targets at the top of the organization has not paralyzed the DTOs because in most cases the organizations have merely transferred power to new and sometimes more violent leaders.<sup>87</sup> An additional complexity is the drug organizations are adapting and transforming themselves from hierarchical and vertical organizations to becoming more multi-nodal and horizontal in their structure. Some now operate in a manner of independent cell-like structures that are harder for law enforcement to decapitate.<sup>88</sup> As the Mexican military has shifted resources to its pursuit of leaders of the DTOs, it appears to have fewer resources to devote to eradication and other programs. This may be contributing to the increases in the cultivation of opium and marijuana, and production of heroin and methamphetamine, which, unfortunately, are generating more income for the DTOs.

As part of his anti-drug strategy, President Calderón has demonstrated an unprecedented willingness to collaborate with the United States on joint counterdrug measures. U.S.-Mexican security cooperation has focused on the Mérida Initiative, a U.S.-funded \$1.5 billion program to expand bilateral and regional cooperation to combat organized crime, DTOs, and other criminal gangs from 2008-2010.<sup>89</sup> The Initiative as it was originally conceived by Presidents George W.

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<sup>85</sup> For a fuller discussion of the Mexican government's strategy see: CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Clare Ribando Seelke. The report notes there are several elements to the Calderón government's approach: 1) deploying the military to restore law and order; 2) expanding law enforcement operations; 3) initiating institutional reform and anti-corruption efforts; 4) recovering social cohesion and trust, and 5) building up international partnerships against crime and drugs (such as the Mérida Initiative and Beyond Mérida, as proposed in the Obama Administration's FY2011 budget).

<sup>86</sup> Ken Ellingwood, "An Agony of Its Own; Some See a Colombian Parallel to Mexico's Drug Violence. But as the U.S. Considers Its Options, It's the Differences that Will Count," *Los Angeles Times*, September 26, 2010.

<sup>87</sup> One former drug operative in Mexico described the dilemma in an interview. "Trying to stop the gangsters 'is like mowing the grass....You can cut it down. But it always grows back.'" See "Under the Volcano," *Economist*, October 16, 2010. See also: Daniel Kurtz-Phelan, "The Long War of Genaro Garcia Luna," *New York Times*, July 13, 2008.

<sup>88</sup> The evolution is described by Luis Astorga and David Shirk as a move from centralized, hierarchical structures to "an increasingly multi-polar constellation of trafficking organizations with varying specializations and capacities in the late 1990s and 2000s." Luis Astorga and David A. Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper Series on U.S.-Mexico Security Cooperation, May 2010, p. 25. See also: Juan Carlos Garzón, *Mafia & Co.: The Criminal Networks in Mexico, Brazil, and Colombia*, Woodrow Wilson International Center for Scholars, June 2008.

<sup>89</sup> For background on the Mérida Initiative and its successor Beyond Mérida, see CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

Bush and Felipe Calderón in 2007 was to end with the FY2010 budget cycle. Its focus has moved from providing hardware to Mexican security forces to modernizing and strengthening institutions of law enforcement and judicial systems in Mexico and Central America. A successor to the Mérida Initiative strategy focused on Mexico—called “Beyond Mérida”—was introduced by the Obama Administration in the FY2011 budget request. The “four pillars” of the new strategy are outlined in the FY2011 request as 1) disrupting organized crime groups; 2) institutionalizing the rule of law; 3) building a 21<sup>st</sup> century border; and 4) building strong and resilient communities. The Obama Administration’s funding priorities are moving way from providing equipment to Mexican security forces to supporting institutional reform programs in Mexico.

A similar shift is evident in Mexico’s domestic strategy. Following a brutal massacre of 15 youth at a party in Ciudad Juárez in January 2010, President Calderón made a series of visits to the border city and announced that police and military action alone were insufficient to address Juárez’s problems. Within weeks, the Calderón Administration released a plan, “Todos Somos Juarez,” to address social causes that fuel the drug trade such as unemployment and a weak education system, which parallels Pillar 4 of the Beyond Mérida strategy.<sup>90</sup> In addition, the Calderón government has taken advantage of improved sharing of U.S. intelligence, and made vigorous use of extradition of suspects wanted by the United States.<sup>91</sup> The Calderón administration is also implementing a major restructuring of the judicial system and building a federal police force vetted to reduce corruption.

President Calderón convened for the first time a “dialogue on security” bringing together government officials with business leaders, civic leaders, and academics in August 2010 to publicly discuss the country’s antidrug strategy. These discussions were partly a response to the Mexican government’s inconsistent and incomplete releases of public information on drug trafficking-related homicides.<sup>92</sup> President Calderón notably said at one forum he would be willing to discuss the option of drug legalization, although he quickly announced that he was not a supporter of legalization.<sup>93</sup> He reaffirmed his government’s commitment to the antidrug fight having acknowledged that the violence threatened the media and democratic governance.<sup>94</sup>

The Mexican military had initially been in the forefront of the government’s drug campaign as an interim solution until enough police could be vetted, trained, and equipped to take back the lead in the public security function. The Calderón administration has apparently assessed that police and justice reforms will be insufficient to rid the system of corruption before Calderón’s six-year term expires.<sup>95</sup> Persistent police corruption was highlighted in the August 30, 2010 purge of the federal police that resulted in more than 3,000 officers being fired. In addition, supporters of the

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<sup>90</sup> Estrategia Todos Somos Juarez, <http://www.todossomosjuarez.gob.mx/estrategia/index.html>

<sup>91</sup> One of the earliest successes of the Calderón counterdrug strategy was the extradition of Osiel Cardenas Guillen (the notorious leader of the Gulf DTO) to the United States in January 2007. Extraditions have steadily increased during the four-years of the Calderón government. For example, in 2009, the Mexican government extradited a record 107 suspects to the United States.

<sup>92</sup> David Shirk, “Mexican Government Reveals Distribution of Drug Violence,” Justice in Mexico blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>93</sup> “Mexico’s President Calls Legalisation Debate,” *LatinNews Daily*, August 4, 2010. President Calderón subsequently expressed opposition to a California ballot initiative, Proposition 19, which would legalize adult use of marijuana. California voters defeated the measure in the November 2010 general election.

<sup>94</sup> “Calderón Calls for Debate on Marijuana,” *Latin News Weekly Report*, August 5, 2010.

<sup>95</sup> *Economist Intelligence Unit*, “Mexico Politics: Whither the War on Drugs?,” September 2, 2010.

Calderón strategy maintain that to confront DTOs armed with powerful assault and military-style weapons a well-armed military-led response is necessary. At the conclusion of the August 2010 security dialogue, President Calderón said that the military, which has led the fights against the DTOs during the first four years of his administration, would remain in place until the end of his term in 2012.

Another problem for the Calderón strategy had been the rise in drug abuse in border cities such as Ciudad Juárez and Tijuana, and gang warfare that has broken out to control the local drug trade.<sup>96</sup> Local drug dealing increased because drugs are being stopped from going over the border and gangs which are hired by the DTOs for protection and other “outsourced” services are paid in product (illegal drugs). DTO-supplied street gangs are killing to control street corner sales in both border cities. As part of the government’s policy shift in Ciudad Juárez, in April 2010, 5,000 federal police officers replaced military personnel. This shift in forces has had limited results. Violence has remained high and does not seem to be significantly affected, with a reported average of seven killings daily in Juárez alone in mid-2010.<sup>97</sup> Unemployment, caused by the economic downturn and businesses fleeing the violence, has also provided ready recruits for the gangs who are hired by the DTOs to fight as their proxies.

## Trends and Outlook

Notwithstanding how the violence is characterized, a few trends are clear. First, the drug-trafficking related violence has continued to increase dramatically. According to the *Reforma* data, the number of killings doubled between 2007 and 2008. In 2009, with more than 6,500 drug trafficking-related homicides, the number of deaths increased by at least 20% over 2008. In 2010, the number of drug trafficking-related deaths surpassed 11,000 in December, according to media reporting.

Second, the violence is concentrated in a few cities and towns with 80% of the deaths concentrated in slightly under 7% of Mexico’s municipalities, according to Mexican government data released in August 2010.<sup>98</sup> In 2009, for example, about one-third of drug trafficking-related deaths occurred in Ciudad Juárez, the focal point for conflict between two battling DTOs and their proxies.<sup>99</sup>

Third, the violence is largely targeted at people with ties to the drug trafficking organizations because much of the violence is the result of open warfare between and within the organizations. The number of Mexican security forces (military and police) killed is believed to be approximately 7% of the total, although estimates vary.<sup>100</sup> Some of these deaths may involve

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<sup>96</sup> Thousands of gang members in both the United States and Mexico serve the Mexican DTOs. In Ciudad Juárez alone there are an estimated 500 gangs with a combined membership of between 15,000 to 25,000 persons. Eduardo Guerrero Gutiérrez, “Cómo Reducir La Violencia en México,” *Nexos en Línea*, November 3, 2010.

<sup>97</sup> Ken Ellingwood, “Mexico Takes a Different Tack on Juarez Violence,” *Los Angeles Times*, July 12, 2010.

<sup>98</sup> Mexican Federal Government, “Información Sobre el Fenómeno Delictivo en México,” August 2010; David Shirk, “Mexican Government Reveals Distribution of Drug Violence,” Justice in Mexico blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>99</sup> Andrew Selee, David Shirk, and Eric Olson, “5 Myths about Mexico’s Drug War,” *Washington Post*, March 28, 2010.

<sup>100</sup> TBI, *Drug Violence in Mexico: Data and Analysis from 2001-2009*, January 2010.

individuals who had at some time colluded with one DTO or another. Until recently, the Mexican government maintained that most of the victims are tied to the DTOs so the extensive violence should be seen as a sign of success.

Fourth, the power of the DTOs is fluid and the boundaries of their operations change. The seven significant organizations are loosely geographically based, but their areas of operation evolve rapidly and are likely to continue to do so. The conflict evolves as fighting between DTOs over drug plazas and corridors is exacerbated or resolved. Some DTOs have splintered. The fragmentation of DTOs has generated more violence, but there is a debate if fragmentation represents a long-run weakening of the DTOs influence and makes them more susceptible to state penetration.<sup>101</sup>

While forecasting changes in the levels of the violence is speculative, most analysts see the high rates of violence continuing in the near term.<sup>102</sup> The inputs from the United States that fuel the violence—high powered guns and illicit profits—have not been significantly disrupted.<sup>103</sup> A recent report maintains that from the start of the Calderón Administration until February 2010, the Mexican government seized approximately 80,000 illegal firearms, and of those the U.S. Department of Justice's Bureau of Alcohol, Tobacco, Firearms, and Explosives determined that approximately 80% (62,800 firearms) came from the United States.<sup>104</sup> Seizures of illicit funds derived from drug trafficking have been low. An estimated \$20 to \$25 billion annually in bulk cash flows back to Mexico and its Colombian suppliers from drug sales in the United States. According to an analysis by the *Washington Post* of data from the U.S. and Mexican governments, only about 1% of this cash is recovered despite unprecedented efforts to seize more.<sup>105</sup>

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<sup>101</sup> Diana Villiers Negroponte, "Measuring Success in the Drug War: Criteria to Determine Progress in Mexico's Efforts to Defeat Narco-traffickers," Brookings Institution, October 19, 2010, at [http://www.brookings.edu/opinions/2010/0525\\_mexico\\_drug\\_war\\_negroponte.aspx](http://www.brookings.edu/opinions/2010/0525_mexico_drug_war_negroponte.aspx).

<sup>102</sup> See Stratfor Global Intelligence, *Mexican Drug Cartels: An Update*, May 17, 2010. The DEA in various testimony before Congress has predicted that the violence will continue to increase. For example, in testimony before the Senate Caucus on International Narcotics Control, DEA's Anthony Placido said "The fight against Mexican DTOs is at a critical stage and the violence which is the by-product of this contest may get worse before it gets better. As such, we must manage expectations as well. It took decades for these Mexican DTOs to gain the level of power and impunity that they presently enjoy. We're working at breakneck pains with our government of Mexico counterparts to deal with this cancer, but we may have to deal with the chemotherapy in the process." For more see, Statement of Anthony P. Placido, Assistant Administrator for Intelligence, Drug Enforcement Administration and Kevin L. Perkins, Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, hearing before the Senate Caucus on International Narcotics Control, *Drug Trafficking Violence in Mexico: Implications for the United States*, May 5, 2010.

<sup>103</sup> For background on the problem of gun trafficking, see CRS Report R40733, *Gun Trafficking and the Southwest Border*, by Vivian S. Chu and William J. Krouse. Illicit drug sales in the United States generate between \$18 billion and \$39 billion that flows back to Mexico each year, according to the U.S. Justice Department's Federal Bureau of Investigation. Federal Bureau of Investigation, press release "The Southwest Border, by the Numbers," August 2010, <http://www.fbi.gov/news/stories/2010/august/southwest-border2/border-numbers>. It is difficult to determine how much of these funds are transferred back to the Mexican DTOs through bulk cash flows and how much is laundered through other methods. Douglas Farah, "Money Laundering and Bulk Cash Smuggling: Challenges for the Mérida Initiative," in *Shared Responsibility: U.S.-Mexico Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington, DC: Woodrow Wilson International Center for Scholars and the University of San Diego, 2010).

<sup>104</sup> Colby Goodman and Michel Marizco, *U.S. Firearms Trafficking to Mexico: New Data and Insights Illuminate Key Trends and Challenges*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper on U.S.-Mexico Security Cooperation, August 2010. The Mexican government and many others have argued the increased availability of high powered weapons, often originating from the United States, provides the tools for more violence.

<sup>105</sup> William Booth and Nick Miroff, "Stepped-up Efforts by U.S., Mexico Fail to Stem Flow of Drug Money South," (continued...)



Nevertheless, cooperation between Mexico and the United States has markedly increased under the Mérida Initiative over the last three years. Mexico has recently made an increased commitment to control its borders and announced a new initiative in September 2010 to control money laundering and disrupt the flow of drug money.<sup>106</sup> In the United States, bilateral cooperation on money laundering cases including training for Mexican prosecutors has increased along with a push to hire new staff in the Asset Forfeiture and Money Laundering section of the U.S. Justice Department to go after the money of the Mexican DTOs.<sup>107</sup> Since 2001, the United States has applied financial sanctions to all the major DTOs in Mexico or individuals heading those DTOs (as well as several smaller organizations) under the Foreign Narcotics Kingpin Designation Act.<sup>108</sup> For example, in April 2009 President Obama designated as significant foreign narcotics traffickers La Familia Michoacana, the Sinaloa, and Gulf DTOs pursuant to the Act.<sup>109</sup>

The brutal violence associated with drug trafficking in Mexico appears to exceed the violence that is intrinsic to narcotics trafficking and organized crime in general. The attack on civil society has been particularly harsh for local government officials and journalists in 2009 and 2010. From January 2010 through the end of October, 12 Mexican mayors—mostly from small towns—have been murdered, allegedly by the DTOs.<sup>110</sup> In the four years of the Calderón government's crackdown on the DTOs, at least 30 journalists in Mexico have been murdered or disappeared according to the international Committee to Protect Journalists, including at least 10 journalists in 2010.<sup>111</sup>

For the foreseeable future, current and future Mexican governments will likely have to deal with the DTOs and the violence they generate. The DTOs are having a profound demoralizing and delegitimizing effect on local, state, and federal government in Mexico. It may take years of building stronger institutions before violence is markedly reduced. Notwithstanding the DTO violence, Mexico continues to have one of the lower homicide rates in the region although the recent escalation in drug trafficking-related deaths has pushed the national homicide rate significantly higher. From a nationwide homicide rate of 11 homicides per 100,000 in 2008, the national homicide rate rose to 14 per 100,000 in 2009.<sup>112</sup> Still, national homicide rates in several Central American countries such as Guatemala, Honduras, and El Salvador are much higher (40-

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(...continued)

*Washington Post*, August 25, 2010.

<sup>106</sup> Embassy of Mexico, "Fact Sheet – National Strategy for Preventing and Fighting Money Laundering and the Financing of Terrorism," September 2010.

<sup>107</sup> Joseph Palazzo, "U.S. in New Drug-Money Push," *Wall Street Journal*, September 30, 2010.

<sup>108</sup> The U.S. Department of the Treasury of the Treasury's Office of Foreign Assets Control (OFAC) targets and blocks financial assets, subject to U.S. jurisdiction, of drug kingpins and related associates and entities. See CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by Clare Ribando Seelke.

<sup>109</sup> The White House, Office of the Press Secretary, "Fact Sheet: Overview of the Foreign Narcotics Kingpin Designation Act," April 15, 2009. President Obama made the designation prior to a trip to Mexico to meet with President Calderón to discuss counternarcotics cooperation and other bilateral issues on April 16-17, 2009.

<sup>110</sup> Sara Miller Llana, "Mayors Targeted in Mexican Drug War," *Christian Science Monitor Daily News Briefing*, September 29, 2010. TBI, *Justice in Mexico News Report*, October 2010.

<sup>111</sup> Carlos Lauria and Mike O'Connor, *Silence or Death In Mexico's Press: Crime, Violence, and Corruption Are Destroying the Country's Journalists*, Committee to Protect Journalists, September 8, 2010, at <http://cpj.org/reports/2010/09/silence-or-death-in-mexicos-press.php>; Committee to Protect Journalists, "Calderón to Support Federalization of Anti-Press Crimes," September 22, 2010, at <http://cpj.org/2010/09/calderon-to-support-federalization-of-anti-press-c.php>.

<sup>112</sup> "Mexico Risk: Security Risk," *Economist Intelligence Unit*, September 23, 2010.

60 per 100,000).<sup>113</sup> Brazil, Colombia, and Venezuela's national homicide rates also significantly exceeded Mexico's in recent years.<sup>114</sup>

Nevertheless, the violence in Mexico continues to dramatically increase with total casualties surpassing 11,000 in 2010, a greater than 70% increase over 2009. While the recent Mexican government victories against high value targets may have slowed the number of DTO-related deaths in August and September (from over 1,000 in a four-week period to less than 1,000),<sup>115</sup> those arrests and killings of high value targets may not be the cause of this modest decline. The Mexican public does not appear to credit the government's claim of success in reducing the violence and improving street security. According to a public opinion poll published in *Reforma* on September 1, 2010, 59% of Mexicans believed that the DTOs were winning the drug war that President Calderón declared on them when he took office four years ago. Only 22% believed the government was winning.<sup>116</sup>

For many Mexican citizens, the primary sign of success of Calderón's anti-DTO program would be a significant reduction in the violence. But such a goal may prove illusive given that the government's current strategy is stimulating DTO rivalries and intra-DTO battles for succession. In addition, the operations of the Mexican military have led to widespread human rights complaints for violations that include forced disappearances, torture, and arbitrary detention.<sup>117</sup> The manner in which the violence will be reduced could depend upon the policies of the President who succeeds Calderón when his term ends in 2012.<sup>118</sup>

To turn back the escalating violence will require public support for the government's policy. Thus far the confrontation with the DTOs and other criminal organizations has failed to bring the violence down, and public backing for the Calderón counterdrug strategy has waned. Some observers have criticized the Calderón government for adopting an aggressive approach (literally declaring war on the drug traffickers) without having a clear definition of success, without understanding the consequences of the policy, and without having the tools necessary to win.<sup>119</sup> Elements of the government's strategy in the Beyond Mérida program which are designed to reduce the violence such as institutionalizing the rule of law, reforming the justice system, and completing economic and social development programs to combat crime all have a longer timeframe.<sup>120</sup> It may take years or decades to build effective, efficient legal institutions in Mexico that resist threats and bribery. Yet policy analysts believe these institutions are necessary before the DTOs can be reduced from a national security threat to a law and order problem.

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<sup>113</sup> Sarah Grainger, "Mexican Cartels Expand Reach in Central America," *Reuters News*, August 27, 2010.

<sup>114</sup> Williams, op. cit. For a comparison to Brazil (presently 26 homicides per 100,000), see U.S. Ambassador to Mexico Carlos Pascual's speech "Mexico at a Crossroads," Frank E. and Arthur W. Payne Lecture Series, Stanford University, delivered October 20, 2010.

<sup>115</sup> TBI, Justice in Mexico *September 2010 News Report*. The leveling off in killings is attributed as follows: "the slowing is mostly due to four-week declines in Chihuahua, Sinaloa, and Durango of 20%, 27%, and 40%, respectively."

<sup>116</sup> "The Embarrassing Stats Hidden in the Informe," *Latin American Mexico & NAFTA Report*, October 2010.

<sup>117</sup> Maureen Meyer, *Abused and Afraid in Ciudad Juarez: An Analysis of Human Rights Violations by the Military in Mexico*, Washington Office on Latin America, September 2010.

<sup>118</sup> In Mexico, the President is limited to one six-year term by the Constitution.

<sup>119</sup> See, for example, Jorge G. Castaneda, "What's Spanish for Quagmire?," *Foreign Policy*, January/February 2010.

<sup>120</sup> The United States and Mexico are recognizing that reduction in violence must be a key goal of the Beyond Mérida strategy. For more on the Beyond Mérida strategy, see CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*.

Some observers in Mexico are advocating anti-violence programs modeled on successful strategies used in other Latin American cities, such as Rio de Janeiro in Brazil and Guayaquil in Ecuador, or from programs in the United States.<sup>121</sup> A very new development is significantly increased sharing of intelligence at the federal level by the United States with Mexico, which reflects greater U.S. confidence in Mexican law enforcement capacity and integrity. This development again raises the possibility that identifying and targeting DTO leaders for apprehension and investigation and successfully removing them can work to lower the violence. However, if the long established pattern of ineffectual attacks and prosecution of DTO leaders continues, the intense violence is likely to endure. If a near-term solution to the violence is not adopted, there could be public pressure in Mexico to resort to the policies of accommodation that worked in the past. Alternatively, some communities may take matters into their own hands and resort to vigilante justice as some have already.<sup>122</sup> The direction of Mexico's antidrug policy will likely be a key issue in the next presidential election.

As noted above, U.S.-Mexico security cooperation has increased significantly with the implementation of the Mérida Initiative, an Administration program that Congress began funding in 2008. The new Beyond Mérida strategy in Mexico is increasingly focused on the challenges of bringing violence under control. The increased use of intelligence-based security operations that has led to successes in taking down the top DTO leaders is now being expanded to disrupt the capacity of the entire organization—not just top leadership and their hired killers, but those that handle the money and acquire the guns.<sup>123</sup>

## **Concluding Observation: Comparison with Colombia**

Secretary of State Hillary Clinton compared the upsurge in violence in Mexico to the situation in Colombia 20 years ago in her remarks before the Council of Foreign Relations in September 2010.<sup>124</sup> The comparison to Colombia was quickly disavowed by the Mexican government (and reportedly by President Obama), but broadened the debate about the seriousness of the threat posed to Mexico's national security and democracy.

Some analysts employ the Colombia comparison to argue that the successes of Plan Colombia<sup>125</sup> offer possible prescriptions for Mexico. Other observers counter that Colombia two decades ago faced a very different challenge than Mexico faces today. The government of Colombia confronted an insurgency of armed guerrillas who were attempting to overthrow the Colombian government, while simultaneously facing a campaign of violence by its drug trafficking

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<sup>121</sup> Eduardo Guerrero Gutiérrez, "Cómo Reducir La Violencia en México," *Nexos en Línea*, November 3, 2010. Guerrero cites the Boston program "Operation Ceasefire" and the Tri-Agency Resource Gang Enforcement Team (TARGET) of Orange County, California, as two examples of effective programs to reduce violence by applying the principle of concentrating enforcement efforts and reducing violence through credibly communicating to violent offenders that they will be prosecuted.

<sup>122</sup> Nick Miroff and William Booth, "In Mexico, a Legal Breakdown Invites Brutal Justice," *Washington Post*, December 9, 2010.

<sup>123</sup> For more on the Mérida Initiative and Beyond Mérida, see CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>124</sup> "A Conversation with U.S. Secretary of State Hillary Rodham Clinton," Council on Foreign Relations, September 8, 2010. Transcript available at [http://www.cfr.org/publication/22896/conversation\\_with\\_us\\_secretary\\_of\\_state\\_hillary\\_rodham\\_clinton.html](http://www.cfr.org/publication/22896/conversation_with_us_secretary_of_state_hillary_rodham_clinton.html).

<sup>125</sup> Plan Colombia is a U.S.-supported counterdrug and counterterrorism program that has operated for more than a decade in Colombia. For more background, see CRS Report RL32250, *Colombia: Issues for Congress*, by June S. Beittel.

organizations. The Revolutionary Armed Forces of Colombia (FARC) and other armed groups in the country had the goal of replacing the Colombian state which is significantly different from the goal of the DTOs of Mexico which want impunity to traffic drugs and engage in other illicit activities for profit. While the FARC and other insurgents turned to drug trafficking to help finance their cause, their goal was to overthrow the sovereign state. At the height of their power, the FARC and other insurgents controlled more than a third of the country's municipalities.<sup>126</sup> The degree to which some of Mexico's municipalities are influenced by the DTOs is hard to determine. In Mexico, the goal of the traffickers is to corrupt the police and government at all levels to allow them to pursue illicit profits but it is not to take control of the apparatus of the state. Thus, it remains a problem of criminality rather than a battle with insurgents or terrorists.

On the other hand, because some of the *characteristics* of the violence in Mexico—political assassinations, car bombs, extreme violence, and the increased killing of innocent bystanders—are similar to the tactics of political insurgents, some analysts have asserted that the violence goes beyond conventional organized crime behavior. These observers have argued the violence is highly organized, exceptionally brutal, and qualitatively different.<sup>127</sup> Some policy analysts have described the Mexican criminal organizations as a “criminal insurgency.”<sup>128</sup> John P. Sullivan at the Center for Advanced Studies in Terrorism describes how the response to the government's enforcement crackdown led to its evolution:

In Mexico, when faced with a crackdown, the cartels chose to battle each other and the government to maintain a stake in the game. A high level of violence, impunity, and a criminal insurgency were thus an unintended side effect.<sup>129</sup>

From another perspective, Professor Phil Williams argues that the violence is traditional organized crime, but taken to new depths or levels of intensity. He suggests that the Mexican drug trafficking-related violence grows out of a “perfect storm” of conditions. The situation in Mexico has precedents and parallels with the growth of criminal organizations in Italy, Russia, Albania and elsewhere. In addition, there is a feature of “anomie” to Mexico's violence—where homicidal violence has become a feature of everyday life there is now “a degeneration of rules and norms and the emergence of forms of behavior unconstrained by standard notions of what is acceptable.”<sup>130</sup>

The Mexican DTOs do not have an ideology other than a ruthless pursuit of profit, but their corruption and intimidation have challenged the state's monopoly on the use of force and rule of law. In Mexico, the police and court system, undercut by corruption, are not presently equipped to combat the drug organizations. Most arrests are never prosecuted. However, there have been many arrests and suspects are usually displayed to the news media. Arrests have a 1 to 2 %

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<sup>126</sup> U.S. General Accounting Office, *Drug Control: Challenges in Implementing Plan Colombia*, Statement of Jess T. Ford, Director, International Affairs and Trade, GAO-01-76T, October 12, 2000.

<sup>127</sup> For example, there have been near simultaneous actions against Mexico's military or police forces, coordinated attacks on different cities, cartel roadblocks throughout cities like Monterrey to prevent responders from reaching firefights or other hot spots, and kidnappings by cartel forces dressed in Mexican police or military uniforms or in close simulations of the official uniforms.

<sup>128</sup> For other analysts using the terminology of “criminal insurgency” see Bob Killebrew and Jennifer Bernal, *Crime Wars: Gangs, Cartels and U.S. National Security*, Center for a New American Security, September 2010.

<sup>129</sup> John P. Sullivan, “Counter-supply and Counter-violence Approaches to Narcotics Trafficking,” *Small Wars & Insurgencies*, vol. 21, no. 1 (March 12, 2010), p. 186.

<sup>130</sup> Williams, *op. cit.*

chance of leading to a conviction or time served.<sup>131</sup> The violent response of the DTOs to the Calderón government's antidrug campaign, similar to what was seen in smaller municipalities throughout Colombia, has intimidated local, state and federal authorities. DTO profits like those made by local FARC commanders in Colombia are shared with government officials at all levels. Unlike the Colombian FARC, the Mexican traffickers do not seek to replace the government and provide services, but they are committed to manipulating it with bribery and violence to continue their illegal activities without interference.

Some observers argue that parts of the Mexican state have been "captured." These analysts maintain that some states or localities are under DTO control.<sup>132</sup> For example, in Michoacán, the LFM organization controls many local businesses through extortion (taxing businesses or charging them for security services). According to one estimate, approximately 85% of legitimate businesses in Michoacán have some type of relationship with the LFM.<sup>133</sup> Another study concerning DTO presence in Mexican local governments was released in late August 2010. That study, entitled "Municipal Government and Organized Crime," prepared for a committee of the Mexican Senate reportedly found that 195 Mexican municipalities (8% of the total) are completely under control of organized crime, while another 1,536 (63% of the total) are "infiltrated" by organized crime. The study concludes that a majority of Mexican municipalities had organized crime elements capable of controlling the illicit businesses of retail drug trafficking, cultivation and trafficking of drugs, kidnapping and extortion.<sup>134</sup> The study found that criminal structures operate with logistical support from corrupt municipal police and politicians.<sup>135</sup>

The goal of the Mexican government's present drug strategy is to reduce the activity of the DTOs from a national security threat to a law and order problem and to transfer responsibility from military forces back to the police. While the DTOs have used terrorist tactics, they do not use them to the degree or have the same intentions as narco traffickers in Colombia.<sup>136</sup> Mexico's is largely an organized crime or mafia problem, and the tools for managing it include long-term institutional reform and the replacement of a culture of illegality with one of rule of law and legality.

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<sup>131</sup> Andrew Selee, David Shirk, and Eric Olson, "5 Myths about Mexico's Drug War," *Washington Post*, March 28, 2010; "Study: 98.5% of Crimes Go Unpunished in Mexico," *Latin America Herald Tribune*, November 14, 2010.

<sup>132</sup> For example, see William Finnegan, "Silver or Lead," *The New Yorker*, May 31, 2010.

<sup>133</sup> Finnegan, op. cit.

<sup>134</sup> "Measuring the Extent of Drug Cartel Control in Mexico," *LatinNews Daily*, September 15, 2010. Ricardo Ravelo, "Los Cárteles Imponen Su Ley," *Proceso*, October 24, 2010.

<sup>135</sup> *Ibid.*

<sup>136</sup> Ken Ellingwood, "Is Mexico a New Colombia? Mexicans May Have Cause to Bristle at U.S. Comparison," *Chicago Tribune*, September 26, 2010.

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