

**ESCALATING VIOLENCE IN MEXICO AND THE
SOUTHWEST BORDER AS A RESULT OF THE
ILLICIT DRUG TRADE**

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIME, TERRORISM,
AND HOMELAND SECURITY

OF THE

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

—
MAY 6, 2009
—

Serial No. 111-25

Printed for the use of the Committee on the Judiciary



Available via the World Wide Web: <http://judiciary.house.gov>

—
U.S. GOVERNMENT PRINTING OFFICE

49-476 PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON THE JUDICIARY

JOHN CONYERS, JR., Michigan, *Chairman*

HOWARD L. BERMAN, California	LAMAR SMITH, Texas
RICK BOUCHER, Virginia	F. JAMES SENSENBRENNER, JR., Wisconsin
JERROLD NADLER, New York	HOWARD COBLE, North Carolina
ROBERT C. "BOBBY" SCOTT, Virginia	ELTON GALLEGLY, California
MELVIN L. WATT, North Carolina	BOB GOODLATTE, Virginia
ZOE LOFGREN, California	DANIEL E. LUNGREN, California
SHEILA JACKSON LEE, Texas	DARRELL E. ISSA, California
MAXINE WATERS, California	J. RANDY FORBES, Virginia
WILLIAM D. DELAHUNT, Massachusetts	STEVE KING, Iowa
ROBERT WEXLER, Florida	TRENT FRANKS, Arizona
STEVE COHEN, Tennessee	LOUIE GOHMERT, Texas
HENRY C. "HANK" JOHNSON, JR., Georgia	JIM JORDAN, Ohio
PEDRO PIERLUISI, Puerto Rico	TED POE, Texas
MIKE QUIGLEY, Illinois	JASON CHAFFETZ, Utah
LUIS V. GUTIERREZ, Illinois	TOM ROONEY, Florida
BRAD SHERMAN, California	GREGG HARPER, Mississippi
TAMMY BALDWIN, Wisconsin	
CHARLES A. GONZALEZ, Texas	
ANTHONY D. WEINER, New York	
ADAM B. SCHIFF, California	
LINDA T. SANCHEZ, California	
DEBBIE WASSERMAN SCHULTZ, Florida	
DANIEL MAFFEI, New York	

PERRY APELBAUM, *Staff Director and Chief Counsel*

SEAN McLAUGHLIN, *Minority Chief of Staff and General Counsel*

SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY

ROBERT C. "BOBBY" SCOTT, Virginia, *Chairman*

PEDRO PIERLUISI, Puerto Rico	LOUIE GOHMERT, Texas
JERROLD NADLER, New York	TED POE, Texas
ZOE LOFGREN, California	BOB GOODLATTE, Virginia
SHEILA JACKSON LEE, Texas	DANIEL E. LUNGREN, California
MAXINE WATERS, California	J. RANDY FORBES, Virginia
STEVE COHEN, Tennessee	TOM ROONEY, Florida
ANTHONY D. WEINER, New York	
DEBBIE WASSERMAN SCHULTZ, Florida	
[Vacant]	

BOBBY VASSAR, *Chief Counsel*

CAROLINE LYNCH, *Minority Counsel*

CONTENTS

MAY 6, 2009

	Page
OPENING STATEMENTS	
The Honorable Robert C. "Bobby" Scott, a Representative in Congress from the State of Virginia, and Chairman, Subcommittee on Crime, Terrorism, and Homeland Security	1
The Honorable Louie Gohmert, a Representative in Congress from the State of Texas, and Ranking Member, Subcommittee on Crime, Terrorism, and Homeland Security	2
The Honorable Lamar Smith, a Representative in Congress from the State of Texas, and Ranking Member, Committee on the Judiciary	4
WITNESSES	
Mr. Stuart G. Nash, Associate Deputy Attorney General, and Director, Organized Crime Drug Enforcement Task Forces (OCDETF), U.S. Department of Justice	
Oral Testimony	12
Prepared Statement	15
Mr. Salvador Nieto, Deputy Assistant Commissioner, Office of Intelligence and Operations Coordination, U.S. Customs and Border Protection, U.S. Department of Homeland Security	
Oral Testimony	37
Prepared Statement	38
Ms. Janice Ayala, Deputy Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement, U.S. Department of Homeland Security	
Oral Testimony	41
Prepared Statement	43
Mr. Anthony P. Placido, Assistant Administrator for Intelligence, United States Drug Enforcement Administration, U.S. Department of Justice	
Oral Testimony	47
Prepared Statement	15
Mr. William J. Hoover, Acting Deputy Director, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice	
Oral Testimony	49
Prepared Statement	15
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
Prepared Statement of the Honorable Sheila Jackson Lee, a Representative in Congress from the State of Texas, and Member, Subcommittee on Crime, Terrorism, and Homeland Security	6
APPENDIX	
Material Submitted for the Hearing Record	67

ESCALATING VIOLENCE IN MEXICO AND THE SOUTHWEST BORDER AS A RESULT OF THE ILLICIT DRUG TRADE

WEDNESDAY, MAY 6, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIME, TERRORISM,
AND HOMELAND SECURITY
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 3:55 p.m., in room 2141, Rayburn House Office Building, the Honorable Robert C. “Bobby” Scott (Chairman of the Subcommittee) presiding.

Present: Representatives Scott, Jackson Lee, Pierluisi, Gohmert, Poe, Goodlatte, Rooney and Smith.

Staff Present: Bobby Vassar, Subcommittee Chief Counsel; Mario Dispenza, Fellow, ATF Detailee; Karen Wilkinson, Fellow, Federal Public Defender’s Office Detailee; Veronica Eligan, Professional Staff Member; Caroline Lynch, Minority Counsel; Kimani Little, Minority Counsel; and Kelsey Whitlock, Minority Staff Assistant.

Mr. SCOTT. Good afternoon.

I first want to apologize for the delay. We had crime bills on the floor unexpectedly. We thought we were going to be there at about 11 this morning, and did not get on until about 1:30, so we appreciate your indulgence.

The Subcommittee will now come to order. Welcome to the hearing before the Subcommittee on Crime, Terrorism, and Homeland Security on the escalating violence in Mexico and the southwest border as a result of the illicit drug trade.

For several months, the media has reported horrific violence occurring in Mexico and along the U.S. southwest border, stemming from illegal drug trafficking. Traffickers have been brazen enough to threaten police, government officials and even their families because of stepped-up government efforts into drug interdiction. The actual attacks have been rampant and gruesome. Our hearing today will explore the extent of the violence and the role of the U.S. law enforcement agencies in combating it.

Of course, violence associated with drug trafficking and organized crime is nothing new. Other nations, most notably Colombia and Italy, experienced heightened violence when their governments stepped up enforcement efforts in the late 1980’s and 1990’s.

Similarly, the surge in violence Mexico is experiencing seems to be related to Mexican President Calderon’s targeted and successful

crackdown on illicit drug organizations. As Mexican security forces have seized thousands of firearms and tons of drugs, the trafficking has become more difficult. As a result, the traffickers have become more violent as they fight to control fewer trafficking routes. Because these routes flow to and from the United States, our Border States are most directly affected by the violence. In Phoenix alone, a special task force of 10 investigators has dismantled 31 crime cells and has made more than 220 arrests in response to over 350 kidnappings and other violence over the past 2 years.

But the violence is, by no means, limited to the border. According to a December report by the Department of Justice's National Drug Intelligence Center, Mexican drug trafficking organizations have established a presence in 230 U.S. cities, as far apart as Anchorage and Atlanta, further intertwining Mexico and United States in the fight to control the violence over firearm trafficking.

According to the Bureau of Alcohol, Tobacco, Firearms and Explosives, approximately 90 percent of the weapons seized in Mexico that are traced originate here and end up in the hands of Mexican drug traffickers. Clearly we have a shared problem; however, before we can solve the problem, we must assess it accurately, focusing on reality and not sensationalism.

The violence has, indeed, been gruesome. However, according to the Mexican Government, 64 percent of their drug-related violence is mostly concentrated in three Northern and Southwestern States where only 15 percent of their population lives. Moreover, the murder rate in Ciudad Juarez, Mexico's hardest-hit city, is six times lower than was Colombia's murder rate during the early 1990's. Since that time, Medellin's homicide rate has dropped by 90 percent. Thus, the situation is serious, but it is not as widespread as some reports would lead us to believe, and neither is it insurmountable.

Mexico has initiated key steps to overcoming the latest escalation of violence. In addition to increased enforcement efforts, Mexico has made crucial institutional reforms in its judicial system, police hiring, technology investment, and drug abuse prevention and treatment efforts. These key changes promise a more secure, long-term solution than enforcement efforts alone could provide.

The United States' Federal law enforcement efforts have been greatly enhanced. In March of this year, the Obama administration announced a major increase in law enforcement resources to partner with Mexico in combating drug and firearm trafficking.

Today we will hear from representatives from the Department of Justice to explain its role in combating the drug and firearm trafficking and its resultant violence.

So I am pleased at this point to recognize the esteemed Ranking Member of the Subcommittee, the gentleman from Texas, Judge Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman. Thank you for holding this hearing, and thank you for calling me "esteemed."

We are grateful to you for being here, our witnesses. I know that this has been an inordinate delay, but thank you for your patience.

For several months now, we have heard reports of escalating violence by Mexican drug cartels, of violence targeted at rival cartels and at officials of the Mexican Government; not just violence, but

gruesome acts intended to terrorize local communities and to intimidate the Mexican Government into abandoning its mission to rid Mexico of the scourge of illegal drugs.

Mexico is the primary transit point in the U.S. for all four major drugs of choice: marijuana, cocaine, methamphetamine, and heroin. In fact, 91 percent of all cocaine abuse in America is supposedly trafficked through Mexico. So it comes as no surprise that these cartels would resort to such tactics, given the Calderon government's efforts to shut down their trafficking operations and to rid the government of the corruption that has allowed these cartels to prosper for years, and, I would submit, that has caused the country to not become the power that it could be in the world.

In addition to dozens of extraditions of drug cartel members from Mexico to the U.S. for prosecution, Mexican authorities in recent weeks have arrested the suspected leader of the violent Zeta gang in the border city of Matamoros, across from Brownsville, Texas, as well as a top official in the Juarez and Sinaloa Cartels.

In March, Forbes magazine listed Joaquin "El Chapo" Guzman-Loera, the head of the Sinaloa Cartel, as one of the world's self-made billionaires. His inclusion on this list brings the breadth of the illegal drug trade into stark reality.

We simply cannot address the cartel violence in Mexico without addressing both the supply and demand of illegal drugs here in America. According to the Drug Enforcement Administration, Mexico is the number one foreign supplier of marijuana abuse in the United States. In fact, marijuana is considered the cash crop that finances the cartel's drug trade, corruption and violence. So it came as a shock to me when Attorney General Holder announced in February that the D.A. would no longer conduct raids on facilities that are operating in compliance with State laws despite their violation of Federal drug laws. This is an issue that still needs to be addressed.

Another matter that has caused concern was when some of us heard the Administration say that 90 percent—or even the President say that 90 percent of all of the guns involved in violence in Mexico are apparently from the United States, which as it turns out—it sure appears from the numbers that I have been able to get—that only 17 percent of the guns found at Mexican crime scenes have been traced to the United States. A large percentage of the guns recovered in Mexico are not sent back to the United States for tracing because it is obvious from their markings that they did not come from the U.S., but the numbers that we have been provided say that, in 2007 to 2008, 6,000 guns were successfully traced, and of these, 90 percent—this is by the ATF—90 percent, or 5,114, were traced to the U.S.; but in those same 2 years, according to the Mexican Government, 29,000 guns were recovered at crime scenes. So there is not 90 percent coming from the United States, but 17 percent.

Another issue that has just arisen today, as reported in the press—the Chicago Tribune reported that the Sinaloa Cartel is now authorizing the use of force and violence inside the United States to protect their loads of illegal drugs. That force is supposedly being authorized in the United States. Now, that may be a testimony to the effectiveness in how they have been hurt by the U.S.'

curtailing the drugs being imported into the United States. Whatever the reason, if this is true, and they are authorizing violence against our people whom we are paying to protect us, then we have got to have an appropriate counterstrategy to that, and I hope we hear about that shortly.

Anyway, I do appreciate your patience, and look forward to your testimony.

I yield back the balance of my time.

Mr. SCOTT. Thank you.

We have the Ranking Member of the full Committee, the gentleman from Texas, Mr. Smith, who actually suggested the hearing.

It is good to see you here.

Mr. SMITH. Thank you, Mr. Chairman. Actually, I was going to give you credit and thank you for having this hearing, which is both timely and appropriate. I do appreciate the collaboration. It is a bipartisan subject, and I always appreciate being able to work with you on items like this.

Also, Mr. Chairman, I think I heard you, as I walked in, express your appreciation to the witnesses for waiting so long, and I, too, was going to say to them that the debate and the votes on some three judiciary bills that were on the House floor took a lot longer than we thought. In fact, the vote actually occurred about 1 hour longer than we were told when it was going to occur, and I am afraid you all had to wait, but we do appreciate that.

Mexico, our neighbor to the south, is experiencing a surge in homicides and in other violent crimes. Drug cartels are to blame. In a little more than a year, more than 7,000 people have been murdered, many of them cartel members or associates. These international crime syndicates are like any other criminal organization that attempts to exercise its authority through threats, fear and murder, but Mexican President Felipe Calderon has vowed to take on the Mexican drug cartels and to put an end to their reign.

We are seeing the results of this effort through better cooperation with U.S. law enforcement agencies, through the increased extraditions of cartel members to the U.S., and through a campaign to rid the Mexican Government of the corruption that has fostered the cartels' power for years.

Regrettably, though, some are using the violence along the border as a justification for stricter gun laws. In recent weeks both the news media and elected officials have repeated a statistic that would be alarming if true, that 90 percent of the firearms seized in Mexico come from the U.S. This is simply false.

What is true is that 90 percent of those weapons that are seized and traced are linked back to a point of sale in the United States, but this accounts for only 17 percent of the guns actually found at Mexican crime scenes. The remaining 83 percent come from Central and South America or as far away as Russia, according to a recent report.

Regulating the ownership of firearms by law-abiding citizens will do nothing to stop criminals from trafficking guns into Mexico. There are those who suggest that the solution to border violence is to legalize drugs. That is like saying that the solution to our economic crisis is to legalize fraud.

If Congress is serious about addressing border violence in Mexico, we should first eliminate the demand for illegal drugs in the U.S. by cracking down on drug dealers. Unfortunately, some want to significantly reduce the punishment for drug crimes, but reducing the demand for drugs in the U.S. will help prevent drug-related violence from spilling across the U.S.-Mexico border.

In late March, the Administration announced that it planned to redeploy personnel and resources along the border to help curtail the violence. I support these actions, but remain concerned that the redeployment of personnel and resources may come at the expense of other critical law enforcement activities. Border violence should not be used as an excuse to reduce the interior enforcement of our immigration laws and to enact gun restrictions.

Mr. Chairman, the threat of violence spilling across the U.S. border would be much less if we would complete the construction of the border fence. The Border Patrol has stated that, where used, it has reduced apprehensions by 95 percent, and when apprehensions are down, so is the amount of drugs coming across the border—and the related violence.

Mr. Chairman, thank you, and I yield back the balance of my time.

Mr. SCOTT. Thank you.

We have also been joined by the gentlelady from Texas Ms. Jackson Lee. I ask that any other additional statements be made part of the record.

Without objection.

[The prepared statement of Ms. Jackson Lee follows:]

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, AND MEMBER, SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY

SHEILA JACKSON LEE
D-11, DISTRICT 11
LEGISLATIVE OFFICE
6120 Highway 196, Room 1149K
Washington, DC 20515
(202) 225-2611
LEGISLATIVE OFFICE
1910 South Loop West, Suite 1180
The Woodlands, Texas 77380
(281) 965-8600
LEGISLATIVE OFFICE
10710 West Meadow Road, Suite 201
Plano, TX 75075
(972) 424-0000
LEGISLATIVE OFFICE
4500 West 17th Street
Houston, TX 77056
(713) 965-4000
LEGISLATIVE OFFICE
5000 Greenway Plaza, Suite 201
Houston, TX 77056

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEE
JUDICIARY
SUBCOMMITTEE
ON CRIME, TERRORISM, AND HOMELAND SECURITY
SHEILA JACKSON LEE
CHIEF, TERRORISM AND HOMELAND SECURITY
HOMELAND SECURITY
TERRORISM
CRIME
TERRORISM SECURITY AND ADDRESSING THE
PROBLEM
GENERAL MEMBER AND GLOBAL COORDINATOR
FOREIGN AFFAIRS
SUBCOMMITTEE
ON ARMS, QUAKES, HEALTH,
MONEY, ENERGY AND AVOIDANCE
OF
DEMOCRATIC CAUCUS
CONGRESSIONAL BLACK CAUCUS
CONGRESSIONAL CHRISTIAN CAUCUS

CONGRESSWOMAN SHEILA JACKSON LEE, OF TEXAS

STATEMENT BEFORE THE

JUDICIARY SUBCOMMITTEE ON
CRIME, TERRORISM, AND HOMELAND SECURITY

“HEARING ON THE ESCALATING VIOLENCE IN MEXICO AND SOUTHWEST
BORDER AS A RESULT OF THE ILLICIT DRUG TRADE

MAY 5, 2009

Thank you, Mr. Chairman, for your leadership in convening today’s very important hearing on escalating violence in Mexico and the Southwest border as a result of the illicit drug trade. The purpose of the hearing is to provide information regarding the illicit drug trafficking originating in Mexico. The hearing will also explore how law enforcement agencies are responding to escalating violence along the border and how it affects the U.S. Southwest border. This hearing will provide analysis of the situation, and recommendations on what actions Congress should take to address the situation.

The increasing violence along the border has occurred within the two years since Mexican President Felipe Calderon took office. At the time that President Calderon took office, he pledged to crack down on illicit drug trafficking. The violence and the presence of drugs along the border have increased.

In 2008, the violence between Mexican drug gangs fighting for trafficking routes to the United States killed approximately 6,000 people in Mexico, including more than 500 police officers and soldiers. In the first eight weeks of 2009, more than 1,000 people were killed as a result of the drug war. In March 2009, Mexico sent an additional 3,200 soldiers to the border, increasing the total number of Mexican soldiers combating drug cartels to more than 45,000.

Over 200 United States citizens have been killed in the drug war, either because they were involved in the cartels or were innocent bystanders. The drug trade in Mexico includes marijuana, heroin, cocaine, and methamphetamine (meth).

Reports have indicated that Mexico is the conduit for most of the cocaine – approximately 90 percent -- in the United States, the source for much of the heroin consumed in this country and the largest foreign supplier of marijuana and meth to other markets.

Estimates indicate a vast majority of the cocaine available in the United States market is smuggled by Mexican cartels across the United States-Mexico border. Cartels are becoming increasingly involved in the trafficking of meth because of the large profit margins they obtain from controlling the drug from manufacture to distribution.

The drug cartels have criminal earnings in excess of \$25 billion per year and physically send more than \$10 billion a year in bulk cash back into Mexico from the United States. According to the 2009 National Drug Threat Assessment, Mexican drug trafficking organizations are the greatest drug trafficking threat to the United States.

The Drug Enforcement Administration (DEA) maintains that the Mexican cartels now command and control the drug trade and show the hallmarks of organized crime, such as organizing into distinct cells with subordinate cells, including gangs, which operate throughout the United States.

Mexican cartels control drug distribution in most United States cities, and they are gaining strength in markets that they do not control. The 2009 National Drug Threat Assessment indicates that Mexican cartels maintain drug distribution networks or supply drugs to distributors in at least 230 United States cities, including in Alaska and Hawaii.

The problem along the U.S.-Mexico border is exacerbated by the fact that while the Mexican drug organizations are smuggling their narcotics North of the border to sell in the United States, they are obtaining their weapons in the U.S. and smuggling them back to Mexico, where they are used to facilitate the violence. According to the Bureau of Alcohol, Tobacco, Firearms and Explosives, approximately 90% of the weapons seized in Mexico that are traced, originate in the United States and end up in the hands of Mexican drug traffickers.

According to Mexican Attorney General, Eduardo Merina Mora, the violence directly attributable to the drug organizations is responsible for the deaths of at least 8,150 people between December 2006 and December 2008. The violence has become so intense that the drug organizations are threatening police officials and publically taking credit for brutal assassinations. In one instance among many other brutal murders, five officers were beheaded and the assassins placed the detached heads in a cooler at the police station.

The violent turf battles between Mexican drug organizations have now crossed the U.S.-Mexican border and have resulted in kidnappings and home invasions in the United States. The violence is growing in the Southwest border and vicinity and is increasingly making its way to other

parts of the United States.

The violence is not limited to the Southwest border and vicinity. According to a December report by the Justice Department's National Drug Intelligence Center, Mexican drug-trafficking organizations have established a presence in 230 U.S. cities, including remote places such as Anchorage, Alaska and Sheboygan, Wisconsin.

The Federal Government provides States and local governments with assistance in covering the costs related to the fight against the drug cartels and the prosecution of such drug cases, local law enforcement along the border is in need of assistance in covering expenses. Local law enforcement uses its limited resources to combat drug trafficking, human smuggling, kidnappings, the destruction of private property, and other border security related crimes. The United States shares 1,989 miles along its border with Mexico. Federal assistance is required to help local law enforcement.

On March 24, 2009, the Obama Administration announced its plans for increasing its law enforcement efforts in Mexico and along the U.S. Southwest border. The Administration's efforts will be shared by the Department of Homeland Security and the Department of Justice each with a series of initiatives. Witnesses will discuss the plan described above in detail and explain how each initiative will work within the overall effort to

combat violence from the drug trade.

I have also worked on this important issue – the violence along the Southwest border is of grave concern to me. To address this situation along the border, on April 2, 2009, I, along with Congressman Poe, introduced H.R. 1900, Border Security, Cooperation, and Act Now Drug War Prevention Act. This Act will provide for emergency deployments of United States Border Patrol agents and to increase the number of Drug Enforcement Administration and Alcohol, Tobacco, Firearms and Explosives agents along the international border of the United States to increase resources to identify and eliminate illicit sources of firearms into Mexico for use by violent drug trafficking organizations. The bill requires the deployment of helicopters and power boats, motor vehicles, portable computers, radio communications, and other equipment.

I welcome the witnesses' testimony and their comments on my bill. Thank you, Mr. Chairman. I yield the remainder of my time.

Mr. SCOTT. We will now go to our panel of witnesses.

Our first witness will be Stuart Nash, Associate Deputy Attorney General and Director of the Organized Crime Drug Enforcement Task Forces. Under that directorship, he oversees the combined efforts of over 2,000 law enforcement agents and over 600 prosecutors with the mission of investigating, prosecuting and dismantling the world's largest drug-trafficking, money-laundering organizations. He also serves as Associate Deputy Attorney General with the responsibility for a range of criminal justice issues, including drug enforcement, money laundering and asset forfeiture. He has a law degree from Harvard Law School and a bachelor's degree from Duke University.

Our next witness will be Mr. Salvador Nieto, the Deputy Assistant Commissioner, Office of Intelligence and Operations Coordination for the United States Customs and Border Protection. As Deputy Assistant Commissioner, he is the chief executive officer responsible for leveraging the skills of intelligence operations professionals and targeting experts to maximize the CBP's enforcement efforts. He began his career in 1988 with the U.S. Border Patrol, served in the United States Air Force and attended the Air Force Community College and Florida State University.

Our next witness will be Janice Ayala, Deputy Assistant Director of Financial, Narcotics and Public Safety Division within the Office of Investigations, U.S. Immigration and Customs Enforcement. In this position she has direct oversight of the financial, narcotics and national gang programs conducted by ICE officers throughout the United States. She served for 4 years in the U.S. Air Force Intelligence Squadron, and holds a bachelor of science degree in business administration.

Our fourth witness will be Mr. Anthony Placido, Assistant Administrator for Intelligence for the United States Drug Enforcement Administration, or DEA. As a leader of DEA's intelligence program, he is DEA's senior officer for the U.S. Intelligence Community, and his duties include the development of the agency's global intelligence collection enterprise. He holds a bachelor's degree from Northeastern University and a master's degree from Golden Gate University.

Our final witness is Mr. William J. Hoover, Acting Deputy Director for the Bureau of Alcohol, Tobacco, Firearms and Explosives. As Deputy Director, he is the ATF's second highest official and oversees all ATF operations, including criminal investigations, intelligence and the regulation of Federal firearm licensees. He has a bachelor's degree from Shepherd College in Shepherdstown, West Virginia.

I thank all of our witnesses for joining us. I will ask you to summarize your testimony within 5 minutes or less. There is a timing device at the table, which will go from green to yellow with 1 minute left, to red after your 5 minutes are up.

We have also been joined by the gentleman from Texas Mr. Poe. We will begin with Mr. Nash.

TESTIMONY OF STUART G. NASH, ASSOCIATE DEPUTY ATTORNEY GENERAL, AND DIRECTOR, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES (OCDETF), U.S. DEPARTMENT OF JUSTICE

Mr. NASH. Thank you very much, Mr. Chairman.

I cannot help but notice—it may be a bad omen for me—that the last vote—you mentioned my degree from Duke University. The last vote the House took before this hearing was convened was to congratulate the North Carolina Tar Heels for their victory in the National Basketball Championship, but I will try to soldier on.

My thanks to you and to Ranking Member Gohmert and to all of the Members of the Committee. I appreciate the opportunity to appear before you today to discuss the alarming rise of violence in Mexico and to share with you the Department of Justice's strategy

for dismantling the Mexican drug cartels that are responsible for that violence.

Drug-related violence has skyrocketed in recent years in Mexico, especially along the border with the United States. When Mexico's President Calderon and Attorney General Medina-Mora took office in December 2006, the Mexican Government, with the support of the United States, undertook a comprehensive program to break the power of the narcotraffickers. The unprecedented pressure caused the cartels to escalate fighting among themselves for control of the lucrative smuggling corridors along the southwest border. It also led to retaliatory violence directed at Mexican law enforcement personnel.

The violence in Mexico has had direct and serious effects in the United States. Firearms trafficking from the United States to Mexico contributes to escalating levels of violence on both sides of the border. As for the cartels and the U.S.-based gangs affiliated with the cartels, they arm themselves with high-caliber firearms. These criminal groups are very well financed. Mexican and Colombian drug trafficking organizations annually generate between \$18 billion and \$39 billion in drug proceeds in the United States, a large portion of which is believed to be smuggled in bulk cash shipments back into Mexico.

For decades, U.S. law enforcement agencies have recognized that the best way to fight the most powerful criminal organizations is through intelligence-based, prosecutor-led task forces. It was this approach, for example, that fueled the groundbreaking Mafia prosecutions in the late 1980's and 1990's. The DOJ is currently applying the same intelligence-driven tactics that broke the back of the mob to fighting the Mexican drug cartels.

The Department's strategy to dismantle the Mexican drug cartels has several key elements. First, the strategy employs extensive intelligence capabilities. The Department pools information generated by Federal, State and local law enforcement agencies, and it uses that intelligence to direct resources against the most powerful cartels.

Second, through prosecutor-led, multiagency task forces, the Department focuses its efforts on the investigation, extradition, prosecution, and incarceration of key cartel leaders. As the Department has demonstrated in attacking other major criminal enterprises, destroying the leadership and seizing the financial infrastructure of the cartels undermines their very existence.

Third, the Department of Justice, in concerted efforts with the Department of Homeland Security, pursues investigations and prosecutions related to the trafficking of guns and to the smuggling of cash from the United States into Mexico. Much of the violence in Mexico is fueled by weapons and resources that come from our side of the border.

Finally, the Department confronts the secondary threats in the United States flowing from the cartel activity. These threats include the widespread distribution of drugs on our streets and gang activities in our neighborhoods.

The Department's strategy has already had some spectacular successes. Just a couple of months ago, Attorney General Holder announced the arrest of more than 750 individuals in connection

with Operation Xcellerator, which targeted the Mexican drug trafficking organization known as the Sinaloa Cartel. Through Operation Xcellerator, Federal law enforcement agencies, along with the law enforcement officials from the Governments of Mexico and Canada and State and local authorities in the United States, delivered a significant blow against the Sinaloa Cartel. In addition to the 750 arrests, authorities seized over \$61 million in U.S. currency and more than 12,000 kilos of cocaine.

Project Reckoning, announced in September 2008, was a 15-month operation that severely damaged the Gulf Cartel. It was one of the largest and most successful joint law enforcement efforts ever undertaken between the United States and Mexico. Project Reckoning resulted in over 600 arrests in the U.S. and Mexico, plus the seizure of \$76 million in currency and nearly 20,000 kilos of cocaine. Most importantly, Project Reckoning led to the indictment of the three principal leaders of the Gulf Cartel.

Operation Xcellerator and Project Reckoning were tremendous successes in the U.S. Government's battle against the Mexican cartels, and they illustrate the strengths of the Department's strategy. Neither would have been possible without the development and effective sharing of intelligence between and among Federal agencies, our State and local partners and the Government of Mexico.

The operations were each coordinated by the DEA-led Special Operations Division and were handled by prosecutors and investigators from the Organized Crime Drug Enforcement Task Forces—a program that coordinates elements of the Federal Government, including the DEA, FBI, ATF, the Marshal Service, prosecutors from the U.S. Attorney's offices, and the DOJ's Criminal Division, as well as agents from ICE, CBP, the Coast Guard, and the IRS.

In sum, we believe that the Administration has the right strategy for stopping the violence spawned by the cartels. We also recognized that there is much work still to be done. The cartels remain powerful, and they continue to move drugs into the United States, but the strategy we are pursuing is the correct one, and ultimately we will prevail against these cartels.

The Department of Justice remains committed to working in conjunction with our partners to address these serious threats. I welcome any questions that you may have.

Mr. SCOTT. Thank you.

[The joint prepared statement of the Department of Justice follows:]

JOINT PREPARED STATEMENT OF STUART NASH, WILLIAM HOOVER,
AND ANTHONY P. PLACIDO



Department of Justice

STATEMENT OF

STUART NASH
ASSOCIATE DEPUTY ATTORNEY GENERAL AND
DIRECTOR, ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES
DEPARTMENT OF JUSTICE

WILLIAM HOOVER
ACTING DEPUTY DIRECTOR
BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES
DEPARTMENT OF JUSTICE

ANTHONY P. PLACIDO
ASSISTANT ADMINISTRATOR FOR INTELLIGENCE
DRUG ENFORCEMENT ADMINISTRATION
DEPARTMENT OF JUSTICE

BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON CRIME, TERRORISM, AND HOMELAND SECURITY

HEARING ENTITLED

“ESCALATING VIOLENCE IN MEXICO AND THE SOUTHWEST BORDER
AS A RESULT OF THE ILLICIT DRUG TRADE?”

PRESENTED

MAY 6, 2009

Chairman Scott, Ranking Member Gohmert and Members of the Committee, I appreciate the opportunity to appear before you today to discuss the Department of Justice's (the Department) role in addressing the alarming rise of violence in Mexico perpetrated by warring Mexican drug trafficking organizations in Mexico and the effects of that violence on the United States, particularly along our Southwest Border. I want to share with you the Department's strategy to systematically dismantle the Mexican drug cartels, which currently threaten the national security of our Mexican neighbors, pose an organized crime threat to the United States, and are responsible for the scourge of illicit drugs and accompanying violence in both countries.

Let me begin by emphasizing the priority that this issue commands at the highest level of the Department's leadership, including the Attorney General himself. From March 31 to April 2, 2009, the U.S and Mexico co-hosted the Arms Trafficking Prosecution and Enforcement Executive Strategy Session in Cuernavaca, Morelos, Mexico. On April 2, U.S. Attorney General Holder and Janet Napolitano from the Department of Homeland Security (DHS) along with Mexican Attorney General Eduardo Medina-Mora and Mexican Secretary of the Interior Fernando Gómez-Mont, moderated the proceedings.

Top officials from the Department, including the Criminal Division; the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF); all United States Attorneys and Drug Enforcement Administration (DEA) Special Agents in Charge from the southern border districts; the Federal Bureau of Investigation (FBI) Legal Attaché to Mexico; top officials from the Department of Homeland Security, including the Office of International Affairs (OIA), Office of Counternarcotics Enforcement (CNE), U.S. Immigration and Customs Enforcement (ICE), and U.S. Customs and Border Protection (CBP); and top United States Embassy leadership attended the event. The Mexican delegation was comprised of officials from the Mexican Attorney

General's Office (PGR), Ministry of the Interior, Ministry of Foreign Relations (SRE), the Mexican Military (SEDENA), the Mexican Navy (SEMAR), Mexican Customs (Aduanas), the Secretariat of Public Security (SSP), and the National Center for Research and National Security (CISEN).

Attorney General Holder and Secretary Napolitano met both together and separately with their counterparts and law enforcement experts over a period of two days. The last day included a meeting with President Felipe Calderón and his national security cabinet at Los Pinos. The meetings that took place included frank discussions of the inter-related law enforcement challenges our two countries face.

As a result of the strategy session, several concrete steps have been identified, among others, in order to move forward: (1) develop protocols for securing firearms evidence so that it can be used in either nation for prosecution; (2) share information relating to arrests and prosecution of arms traffickers who operate on both sides of the border; and (3) create a United States-Mexican arms trafficking expert working group to identify the gaps in arms trafficking enforcement which would provide conclusions within 30-60 days of the session.

As epitomized by the Cuernavaca Arms Trafficking Conference, the Mérida Initiative presents new opportunities for expert collaboration on many fronts. With Mérida funding provided by the Department of State, the Department plans, among other things: (1) to place two experienced federal prosecutors in Mexico to work with their counterparts in prosecutorial capacity-building; (2) to assign a forensics expert in Mexico; (3) with in conjunction with interagency partners to build vetted teams and task forces that can work with U.S. federal law enforcement agencies to attack the cartels across the range of their criminal conduct; (4) to advance fugitive apprehension with the U.S. law enforcement agencies and extradition with our

Criminal Division experts; (5) to assist Mexico in developing an assets management system to deal with the assets seized and forfeited in criminal cases and (6) to provide expert advice on witness and judicial security. At the same time, as an operational matter, the Department continues to work closely with Mexico as it addresses the issue of cartel-related public corruption, including through investigative assistance.

Overview of the Department of Justice's Mexico and Border Strategy

The continuing violence in Mexico, just south of our border, is being caused by a limited number of large, sophisticated and vicious criminal organizations, not by individual drug traffickers acting in isolation. That insight drives our response. There is much to do and much to improve upon. But the Department's Strategic Approach – built on its proven track record in dismantling transnational organized criminal groups, such as the mafia in the 1980s and 1990s – confronts the Mexican cartels as criminal organizations, rather than simply responding to individual acts of criminal violence. Pursued vigorously, and in coordination with the efforts of other U.S. government agencies and with the full cooperation of the Government of Mexico, this strategy can and will neutralize the organizations causing the violence.

The Department's strategy to identify, disrupt, and dismantle the Mexican drug cartels has five key elements and supports the National Southwest Border Counternarcotics Strategy. First, the strategy employs extensive and coordinated intelligence capabilities. The Department pools information generated by our law enforcement agencies and federal, state and local government partners, and then uses the product to promote operations in the United States and assist the efforts of the Mexican authorities to attack the cartels and the corruption that facilitates their operations. Second, through intelligence-based, prosecutor-led, multi-agency task forces that leverage the strengths, resources, and expertise of the complete spectrum of federal, state,

local, and international investigative and prosecutorial agencies, the Department focuses its efforts on investigation, extradition, prosecution, and punishment of key cartel leaders. As the Department has demonstrated in attacking other major criminal enterprises, destroying the leadership and seizing the financial infrastructure of the cartels undermines their very existence. Third, the Department of Justice, in concerted efforts with the Department of Homeland Security, pursues investigations and prosecutions related to the trafficking of guns and the smuggling of cash and contraband for drug-making facilities from the United States into Mexico. Much of the violence and corruption in Mexico is fueled by these resources that come from our side of the border. Fourth, the Department uses traditional law enforcement approaches to address the threats in the United States of cartel activity. These threats include the widespread distribution of drugs on our streets and in our neighborhoods, battles between members of rival cartels on American soil, and violence directed against U.S. citizens and government interests. This component of the Department's strategy will inevitably include investigations and prosecutions of U.S.-based gangs that forge working relationships with the Mexican drug trafficking organizations (DTOs). Fifth, the Department prosecutes criminals responsible for federal crimes involving trafficking, smuggling, money laundering, kidnapping and violence. The ultimate goals of these operations are to neutralize the cartels and bring the criminals to justice.

The Department uses all of its available resources to target, disrupt, and dismantle the Mexican cartels. A few months ago, Attorney General Holder announced the arrest of more than 750 individuals on narcotics-related charges under Operation Xcellerator, a multi-agency, multi-national effort coordinated by the DEA-led Special Operations Division (SOD) that began in May 2007 and targeted the Mexican drug trafficking organization known as the Sinaloa Cartel.

This cartel is responsible for bringing tons of cocaine into the United States through an extensive network of distribution cells in the United States and Canada. Through Operation Xcellerator, federal law enforcement agencies--along with law enforcement officials from the governments of Mexico and Canada and state and local authorities in the United States--delivered a significant blow to the Sinaloa Cartel. In addition to the arrests, authorities seized over \$61 million in U.S. currency, more than 12,000 kilograms of cocaine, more than 1,200 pounds of methamphetamine, approximately 1.3 million Ecstasy pills, and other illegal drugs. Also significant was the seizure of 191 firearms, 4 aircraft, and 3 maritime vessels.

Similarly, the Department's Project Reckoning, announced in September 2008, was a 15-month operation, also coordinated by SOD, that severely damaged the Gulf Cartel. It was one of the largest and most successful joint law enforcement efforts between the United States and Mexico. Project Reckoning resulted in over 600 arrests in the U.S. and Mexico, plus the seizure of nearly 20,000 kilos of cocaine, tens of thousands of pounds of marijuana, thousands of pounds of methamphetamine, hundreds of firearms and \$76 million in currency. Perhaps most importantly, Project Reckoning led to the indictment against a triumvirate of Gulf Cartel leaders.

Operation Xcellerator and Project Reckoning were tremendous successes in the U.S. government's battle against the Mexican cartels and illustrate the strengths of the Department's strategy. These operations applied the classic law enforcement tools that the Department has successfully wielded against other large and sophisticated criminal enterprises to target the largest threats from the cartels. Neither would have been possible without the development and effective sharing of tactical and strategic intelligence between and among federal agency partners and the Government of Mexico and its law enforcement and special military components. They reflected multi-agency, bi-national efforts, coordinated by SOD and led by prosecutors and

investigators from the Organized Crime Drug Enforcement Task Forces (OCDETF), a program that coordinates and channels elements of the federal government – including the DEA, FBI, ATF, USMS, U.S. Attorney’s Offices, and the Department’s Criminal Division, as well as ICE, CBP, and the Internal Revenue Service-Criminal Investigations Division (IRS). In all, more than 200 Federal, state, local, and foreign law enforcement agencies contributed to the success of Operation Xcellerator and Project Reckoning. These multi-year investigations will result in federal prosecutions in numerous states by various U.S. Attorneys’ Offices and the Criminal Division’s Narcotics and Dangerous Drug Section.

We believe the Administration has the right strategy for stopping the violence spawned by the cartels. But despite recent successes by the Administration, we also recognize that there is much more work to do. The cartels remain powerful and continue to move drugs into the United States. Guns and cash moving south continue to fuel the cycle of violence in Mexico. As a result, the Department of Justice, in conjunction with our other federal partners, are working together to address these threats.

The Dimensions of the Current Threat

The Mexican drug cartels pose a national security threat to Mexico and an organized crime threat to the United States. Drug-related violence, including kidnappings and increasingly gruesome murders, has skyrocketed in recent years in Mexico, particularly along the border with the United States. Drug-related murders in Mexico doubled from 2006 to 2007, and more than doubled again in 2008 to 6,200 murders. Almost 10 percent of the murders in 2008 involved victims who were law enforcement officers or military personnel. Mexican drug traffickers and their enforcers are also engaging in other violent crimes, including kidnappings and home invasion robberies -- primarily in Mexico but increasingly in U.S. communities as well.

Although violence in Mexico has existed over the years, the bloodshed has escalated in recent months to unprecedented levels as the cartels use violence as a tool to undermine public support for the Mexican government's vigorous counter-drug efforts. Traffickers display the bodies of their tortured victims to intimidate government officials and the public alike.

A significant portion of this increase in violence actually reflects progress by the governments of Mexico and the United States in disrupting the activities of the drug cartels. After President Calderon and Attorney General Medina-Mora took office in 2006, and with support from the United States, the Government of Mexico undertook a comprehensive program to break the power of the narco-traffickers, making record seizures of drugs, clandestine laboratories, and currency. Mexican law enforcement agencies have arrested many high level drug cartel members who are being extradited in record numbers to face prosecution in the United States. This unprecedented pressure from the Government of Mexico has led to the retaliatory violence directed at Mexican law enforcement and the Mexican government as a whole. As the Department and our federal agency partners have worked with Mexican authorities to disrupt and dismantle successive iterations of the most powerful cartels, their successors have escalated the fighting among themselves for control of the lucrative smuggling corridors along the Southwest border.

The violence in Mexico has direct and serious effects in the United States. According to NDIC's *2009 National Drug Threat Assessment (NDTA)*, within the realm of drug trafficking organizations, Mexican drug trafficking organizations represent the "greatest organized crime threat to the United States," with cocaine being the leading drug threat. Mexican and Colombian drug trafficking organizations generate, remove and launder between \$18 billion and \$39 billion in wholesale drug proceeds in the United States annually, a large portion of which is believed to

be smuggled in bulk across the border back into Mexico; as noted above, this currency further fuels the drug trade and its attendant violence. Similarly, firearms trafficking from the United States to Mexico contributes to escalating levels of violence on both sides of the border, as cartel-affiliated groups and U.S.-based gangs, both often armed with military firearms, serve as enforcement arms of the Mexican drug cartels. We look forward to working in collaboration with Mexican authorities to build their capacity to assess all the weapons seized and provide better definition of arms trafficking across our shared border.

Intelligence-Based Targeting Is the Foundation for a Successful Response

For more than a quarter-century, the principal law enforcement agencies in the United States have recognized that the best way to fight the most sophisticated and powerful criminal organizations is through intelligence-based, prosecutor-led task forces that leverage the strength, resources, and expertise of the complete spectrum of federal, state, local, and international investigative and prosecutorial agencies. It was this approach, for example, that fueled the ground-breaking Mafia prosecutions in the United States and Italy in the late 1980s and 1990s. The Department is applying these same intelligence-driven tactics that broke the back of the Mob to fighting the Mexican drug cartels.

The Department works through several programs to develop a full range of strategic, operational, and tactical intelligence against the Mexican cartels.

First, since 2003, the Department has worked with the drug enforcement community to develop the Attorney General's Consolidated Priority Organization Target list of international "Most Wanted" drug kingpins. Of the approximately 55 worldwide cartels currently on the list, 20 of them are Mexican enterprises. This list helps the Department and our federal agency partners focus critical resources on the greatest threats.

Second, the Department leads three multi-agency intelligence centers and an operational center that provide tactical, operational, and strategic support in targeting the largest and most dangerous Mexican cartels and focusing law enforcement resources. The El Paso Intelligence Center (EPIC) currently involves the participation of more than 20 agencies. EPIC provides critical, case-specific tactical intelligence to law enforcement consumers. For example, if a highway patrol officer stops a vehicle in the middle of the night, EPIC may have information about the vehicle, driver or passengers that can be provided in real time. EPIC focuses specifically on the Southwest border but tracks broader tactical data. The ATF's "Gun Desk" at EPIC serves as a central repository for all intelligence related to firearms along the Southwest border. In addition, the FBI, already a contributing member at EPIC, is in the process of increasing its participation there by creating its Southwest Intelligence Group (SWIG). The SWIG will be used to coordinate information and intelligence relating to the Southwest Border and to better disrupt and dismantle the ongoing violent criminal activity. The SWIG head will also serve as an Associate Deputy Director of EPIC.

SOD, also led by DEA, is best described as an operations center, rather than an intelligence center, because its functions go beyond the gathering and processing of intelligence. It provides operational targeting, support, and coordination for long-term, multi-agency investigations. It passes leads that have been developed from intelligence sources to field investigators and coordinates the resulting investigations. SOD targets the command and control communications of major drug trafficking and narco-terrorism organizations. Special emphasis is placed on those major drug trafficking and narco-terrorism organizations that operate across jurisdictional boundaries on a regional, national, and international level, and the operations coordinated by SOD include OCDETF investigations. Operation Xcellerator and Project

Reckoning were OCDETF investigations that were both initiated and coordinated through SOD. The transnational nature of narcotics trafficking triggers a combined Federal, State and local agency response directed at stopping the flow of narcotics into our communities and they are often brought together through the OCDETF Program and their efforts coordinated through SOD. SOD also plays a critical role in deconflicting these operations.

The OCDETF Fusion Center (OFC) is a comprehensive data center containing drug and related financial data from DEA, ATF, FBI, IRS, the USMS, the U.S. Coast Guard, CBP, NDIC, EPIC, the Financial Crimes Enforcement Network (FinCEN), the Department of State's Bureau of Consular Affairs, and other key players in the international drug enforcement world. The OFC provides critical law enforcement intelligence support for long-term and large-scale investigations, complementing the mission of SOD by providing non-communications intelligence at an operations level. The OFC conducts cross-agency and cross-jurisdictional integration and analysis of drug related data to create comprehensive pictures of targeted organizations through its fused database, Compass. Using the protocols established by SOD, the OFC passes actionable leads to field investigative units.

The third Department-led intelligence center is NDIC, which provides policy makers and resource providers with strategic drug intelligence. In addition to producing the *NDTA*, NDIC produces regional and subject-specific threat assessments. These include OCDETF Regional Assessments, including the Southwest Region. NDIC provides Document and Media Exploitation (DOMEX) support to field agents and prosecutors to facilitate the analysis of seized evidence. NDIC also provides DOMEX training and software to foreign law enforcement partners, including Mexico.

Focused Law Enforcement Initiatives

The Department's efforts are focused on three underlying aspects of the Southwest Border threat: drugs, guns, and illegal drug proceeds. These efforts include an integrated and coordinated operational response from Department law enforcement components in coordination with one another and federal agency counterparts.

I. Movement of Drugs

DEA has the largest U.S. law enforcement presence in Mexico with 11 offices in that country. DEA Mexico primarily focuses its resources at the command and control infrastructure of the Mexican cartel leaders with the goal of removing the top layers of cartel leadership, who are essential to the operation of these criminal enterprises. To achieve this goal, DEA Mexico supports and/or facilitates operations by both the Mexican Federal Police and Military Special Forces to locate and capture cartel leaders and their associates. Project Reckoning and Operation Xcellerator are recent examples of this successful partnership. DEA also sponsors the Sensitive Investigative Units (SIU), elite vetted units of Mexican law enforcement and military which undergo robust background investigations and polygraph examinations.

DEA also targets the cartels through its "Drug Flow Attack Strategy" (DFAS), an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money and chemicals between the source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. DFAS calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones around the world.

Department law enforcement components cooperate with other federal agencies on EPIC's "Gatekeeper Initiative." A "Gatekeeper" is a person or group whose role is "to facilitate the taxation and protection of contraband loads (including illegal aliens) and to enforce the will

of the cartel through bribery, intimidation, extortion, beatings, and murder.” These Gatekeepers control territory along the border and are key to cartel smuggling operations in both directions. The Gatekeeper Initiative, combines the statutory expertise and authorities of its multi-agency members – DEA, FBI, the USMS, IRS, ICE, ATF, and CBP to: (1) establish multi-district investigations of the Gatekeepers and their organizations operating along the Southwest Border, including the identification and investigation of corrupt law enforcement officials on both sides of the border; (2) identify additional activities of the Gatekeepers in other regions and pass investigative leads to those jurisdictions; (3) disrupt drug trafficking patterns along the Southwest Border by attacking the smuggling of major cartels; and (4) target the illegal purchase and distribution of firearms by Gatekeepers.

Within the United States, DEA has worked with DHS to implement its “License Plate Reader Initiative” (LPR) in the Southwest border region to gather intelligence, particularly on movements of weapons and cash into Mexico. The system uses optical character recognition technology to read license plates on vehicles in the United States traveling southbound towards the border. The system also takes photographs of drivers and records statistical information such as the date, time, and traffic lane of the record. This information can be compared with DEA and CBP databases to help identify and interdict vehicles that are carrying large quantities of cash, weapons, and other illegal contraband toward Mexico. DEA and other law enforcement agencies will soon be able to submit queries to the database and obtain near real-time responses and can place alerts on suspect license plates.

2. Trafficking of Guns

ATF, in collaboration with other law enforcement entities, such as ICE and CBP, seeks to identify, investigate, interdict and eliminate the sources of illegally trafficked firearms and the networks for transporting them.

Since 2006, Project Gunrunner has been ATF's comprehensive strategy to combat firearms-related violence by the cartels along the Southwest border. It includes special agents dedicated to investigating firearms trafficking on a full-time basis and industry operations investigators (IOIs) responsible for conducting regulatory inspections of Federal Firearms Licensees (FFLs) along the Southwest Border.

Congress has recently allocated an additional \$15 million in support of Project Gunrunner. These funds will allow ATF to open five new field offices staffed with Special Agents and IOIs. With these additional resources, ATF can identify and prioritize for inspection those FFLs with a history of noncompliance who represent a risk to public safety, as well as focus on primary retailers and pawnbrokers who sell the firearms of choice for drug cartels. In addition, the funds will be used to send additional Special Agents to consulates in Mexico.

The tracing of firearms seized in Mexico and the United States is an essential component of the strategy to curtail firearms trafficking along the Southwest border. When a firearm is traced, specific identifying information – including the make, model, and serial number – is entered in the ATF Firearms Tracing System (e-Trace), which is the only federal firearms tracing system. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and then investigate how the gun came to be used in a crime or how it came to be located in Mexico. Furthermore, analyses of aggregate trace data can reveal trafficking trends and networks, showing where the guns are being purchased, who is purchasing them, and how they flow across the border. ATF received \$4.5 million in asset forfeiture funds to initiate a Spanish

version of ATF's e-trace to Mexico from Treasury's Asset Forfeiture fund, as a complement to the Merida Initiative efforts. ATF is working with Mexican officials to increase their current usage of the gun tracing system, with deployment to nine U.S. consulates in Mexico set for December of this year.

As part of President Obama's commitment to President Calderon on his recent trip to Mexico, ATF will also work to bridge the Integrated Ballistic Identification Systems (IBIS) that stores digital photos and arms-related information related to criminal investigations IBIS systems in order to share digital images, ballistic markings, other arms-related information to help identify leads in violent crimes both in Mexico and in the United States. Our efforts will be further enhanced with the President's commitment to urge the Senate to provide its advice and consent in order to ratify the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials.

3. Bulk Currency Shipments and Money Laundering

The spike in violence in Mexico among the cartels stems from fights over market share and profits as the Mexican and U.S. governments have, by working together, succeeded in applying greater pressure against them. In addition to removing the leadership ranks of the cartels, the Department is waging a war to seize and forfeit their assets as well. Again, as with any other criminal enterprise, the Department places a high priority on attacking and dismantling the financial infrastructure of the Mexican drug trafficking organizations. Every OCDETF approved investigation must include a financial component designed to identify and ultimately forfeit the illegal assets of the targeted organization.

Additionally, the Department has established a "Bulk Currency Money Laundering Initiative," an OCDETF Southwest Region Strategic Initiative that investigates bulk currency

movement along transportation routes in the Southwest. Although we do not know the exact amount of bulk cash flowing back across the U.S. border to the Mexican DTOs, NDIC estimates that Mexican and Colombian DTOs generate, remove, and launder approximately \$18-\$39 billion annually in gross wholesale proceeds from their distribution of illicit drugs in the United States, a large portion of which is believed to be smuggled in bulk across the border back into Mexico. State and local agencies, which encounter the vast majority of currency seizures on the highways, often lack the resources necessary to conduct follow-up investigations that will lead to the identification and prosecution of the major drug organizations that own the smuggled currency. Again, we have worked in partnership with other federal agencies which have primary responsibility for securing the U.S. border. This Strategic Initiative is designed to enhance all the federal, state, and local agencies' efforts through coordination and cooperative investigation. Federal agencies currently participating in this initiative include ATF, DEA, FBI, ICE, IRS, the USMS, and the U.S. Attorney's Offices.

Between 2007 and 2008, \$2.9 billion was forfeited under the Department of Justice's Asset Forfeiture Program. Under the National Asset Forfeiture Strategic Plan, asset forfeiture is integrated into every appropriate investigation and prosecution, recognizing that asset forfeiture is a powerful law enforcement tool that strips criminals of their illicit wealth.

Finally, under the Mérida Initiative, discussed above, the Department is sharing its expertise with Mexican investigators and prosecutors to strengthen Mexico's own asset forfeiture laws and authority.

Federal Prosecution Along The Border

The United States Attorneys have over 540 prosecutors in the five Southwest Border districts, handling national and district-level priorities including narcotics trafficking, firearms

trafficking, violent crimes, and immigration offenses. Although the Assistant U.S. Attorneys (AUSAs) in these 5 border district offices comprise only 11 percent of the nation's AUSAs, in FY 2008, they were responsible for 35 percent of all felony cases, 68 percent of all felony immigration cases, and 35 percent of all non-OCDETF narcotics cases filed in U.S. District Courts nation-wide. Each of the Southwest Border United States Attorneys' offices works closely with federal, state, and local investigative agencies on the initiatives described above. The United States Attorneys' offices are on the front lines of the national effort to prosecute both large-scale criminal enterprise cases involving significant trafficking organizations as well as other criminal offenses arising at the border with Mexico. The United States Attorneys also coordinate with Mexican prosecutors to share evidence in appropriate cases to ensure that justice is achieved either in U.S. or Mexican courts.

During the past three years, U.S. Attorney's Offices and the Department's Criminal Division have seen a significant increase in the number of international fugitives returned to face justice in the United States through international extradition. Colombia and Mexico have extradited fugitives to the United States during this time in unprecedented numbers. Some of those extradited were significant cartel leaders, including major figures of the Tijuana and Gulf Cartels. For example, Osiel Cardenas Guillen, leader of the Gulf Cartel, was extradited from Mexico in January 2007. In December 2008, Mexico extradited Juan Diego Espinosa Ramirez, "El Tigre," a Colombian associate of the Sinaloa Cartel charged in the Southern District of Florida. In February of 2009, Mexico extradited Miguel Caro-Quintero to the United States to face federal narcotics trafficking and racketeering charges brought by the Department; Caro-Quintero is the former head of the now-defunct Sonora Cartel and was responsible for trafficking thousands of metric tons of cocaine and marijuana to the U.S. in the 1980s and 1990s. In March

of this year, the Mexican government announced the arrest of Vicente Zambada-Niebla, a top Sinaloa cartel figure, who has been indicted on federal narcotics charges in the U.S. In April, the Mexican army arrested Vicente Carrillo-Leyva, second in command of the Juarez Cartel and the son of the late Amado Carrillo-Fuentes, the original Juarez Cartel head.

To build upon these successes, and to handle the growing number of cases involving international extraditions and foreign evidence more effectively, the Department is in the process of establishing an OCDETF International Unit within the Criminal Division's Office of International Affairs (OIA), which will focus on OCDETF cases involving the highest-level Mexico-based targets. The Unit will expand the current level of cooperation with our foreign counterparts in the arrest, extradition, and successful prosecution of cartel leaders and their subordinates.

In addition, through its regional fugitive task forces and district-based violent offender task forces, the USMS works with state and local police agencies on both sides of the border to locate and arrest offenders who have committed drug crimes or drug-related crimes of violence in the United States and subsequently fled abroad, as well as those who have been charged in the United States but remain resident in other countries. These USMS-led task forces place a high priority on apprehending cartel-related fugitives both domestically and internationally. In FY 2008, USMS arrested 269 violent cross-border felony fugitives, and it currently has 165 cross-border violent felony fugitive arrests for FY 2009.

The USMS also leads the Mexico Investigative Liaison (MIL) Program, which focuses a coordinated effort on international fugitive matters along the Southwest Border. The purpose of this district-based violent crime initiative is to enhance the effectiveness of the USMS' apprehension of violent cross-border fugitives wanted in Mexico or the United States. The 42

Deputy U.S. Marshals currently assigned to the MIL program work under the auspices of the USMS Foreign Field Office in Mexico City. This program enhances international fugitive efforts by establishing and maintaining contact with USMS Mexican counterparts by sharing real-time law enforcement intelligence information.

Responding to the Threat with Additional Resources

Although the elements of the Department's proven prosecutor-led, intelligence-based strategy are in place, in order to be more effective in combating the Mexican cartels, the Department has taken the following steps to buttress our law enforcement resources along the Southwest border and in Mexico.

- **Increased DEA presence on the border.** DEA is forming four additional Mobile Enforcement Teams (METs) to specifically target Mexican methamphetamine trafficking operations and associated violence, and anticipates placing 16 new positions in its Southwest border field divisions. 29 percent (1,171) of the DEA's domestic agent positions are now allocated to the DEA's Southwest border field divisions.
- **Re-allocation of 100 ATF personnel to Southwest border within the next 45 days.** Based on ATF intelligence, analysis of firearms trace data, and firearms trafficking patterns, ATF is redeploying 105 employees, including 68 agents, to work on a temporary detail called Gunrunner Impact Teams (GRIT). The personnel will be located primarily in Houston and South Texas. The FY 2009 Budget and Recovery Act include additional new funding for Project Gunrunner as well. In particular, \$10 million in American Recovery and Reinvestment Act funding is being used to hire 37 ATF employees to open, staff, equip, and operate new Project Gunrunner criminal enforcement teams (in McAllen, TX; El Centro, CA; and Las Cruces, NM), and to assign two special agents to

each of the U.S. consulates in Juarez and Tijuana to provide direct support to Mexican officials on firearms-trafficking-related issues. ATF will also open new Gunrunner field offices in Phoenix, AZ and Houston, TX under the FY 2009 Budget and will add 30 additional ATF personnel in those areas.

- **USMS Fugitive Apprehension and Violent Crime Response:**

Over the last eight months, the USMS has deployed an additional 94 Deputy U.S. Marshals to district offices and will be sending four additional deputies to assist the Mexico City Foreign Field Office in order to step-up efforts along the Southwest Border. In addition, new Criminal Investigators have been placed in the asset forfeiture field units along the Southwest Border. These new positions will support U.S. Attorneys' Offices and investigative agencies in the investigation of cartels and other large-scale investigations. To assist in securing the Mexican side of the border, USMS is providing training courses to our Mexican law enforcement counterparts, resulting in increased intelligence and operational reciprocity as it relates to fugitive investigations and violent crime initiatives. USMS has trained and equipped approximately 200 Mexican law enforcement officers since 2001, resulting in a 240% increase in the number of violent felony fugitives arrested.

- **OCDETF is adding to its Strike Force capacity along the Southwest border:** In order to foster the enhanced intelligence sharing and coordination necessary to achieve the optimum intelligence-driven, strategic enforcement approach against the most enduring and elusive targets, OCDETF has established Co-Located Strike Forces in key cities across the country, including San Diego and Houston. These Strike Forces operate as true task forces, whose multi-agency members are housed in a common office separate

and distinct from any of their parent agencies. Through constant, daily interaction with each other, while still enjoying the resources and support of their parent agencies, the members of the OCDETF Co-Located Strike Forces have achieved great success against the major Colombian and Mexican cartels. OCDETF is expanding the staffing of its San Diego and Houston Strike Forces; within the last year, OCDETF has also established two new Strike Forces, one in Phoenix and one in El Paso. In addition, OCDETF is adding one full-time financial analyst contractor for each of the Strike Forces and has plans to place an NDIC DOMEX team with each Strike Force.

- **Increased FBI focus.** The FBI is enhancing its efforts to disrupt drug activity and to dismantle gangs that may have connections to the violent Mexican drug cartels by participating on Organized Crime and Drug Enforcement Task Forces. In addition, to address the surge in kidnappings, the FBI is working closely with Mexican police officials on a Bilateral Kidnapping Task Force. This task force investigates cases along the border towns of Laredo, Texas, and Nuevo Laredo, Mexico. Aside from operational task forces, each of our border offices has Border Liaison Officers who travel to Mexico on a weekly basis to liaison and coordinate with law enforcement partners. These tools provide local law enforcement on both sides of the border with a rapid response force to immediately pursue, locate and apprehend violent crime fugitives who commit their crimes and flee across the international border to elude capture.
- **Increased funding to combat criminal narcotics activity stemming from the Southern border.** The American Recovery and Reinvestment Act includes \$40 million, to be administered by the Department's Office of Justice Programs, to assist with state and local law enforcement to combat narcotics activity along the Southern border and in

High Intensity Drug Trafficking Areas, including the \$10 million that is required by statute to be allocated to Project Gunrunner.

- **Public relations campaign.** ATF is doing a public education campaign in Houston and San Antonio, TX this summer on illegal straw purchasing. This will include press conferences, radio, TV, billboards, and seminars with people who have federal licenses to sell firearms.

Conclusion

Thank you for your interest in the Department's efforts to combat the alarming rise of violence in Mexico along the Southwest border, as well as our views about the most effective ways to address the current threat. In order to attack the full spectrum of the drug cartels' operations -- drug trafficking, kidnapping, bribery, extortion, money laundering and smuggling of profits, and trafficking and use of dangerous firearms -- we must employ the full spectrum of our law enforcement agencies' resources, expertise, and statutory authorities. By continuing to work together, building on what we have done well so far and developing new ideas to refresh our strategies, we can rise to the current challenge. Again, thank you for your recognition of this important issue and the opportunity to testify here today. I will be happy to answer any questions you may have.

Mr. SCOTT. We have been joined by the gentleman from Florida
Mr. Rooney.
We will continue with Mr. Nieto.

TESTIMONY OF SALVADOR NIETO, DEPUTY ASSISTANT COMMISSIONER, OFFICE OF INTELLIGENCE AND OPERATIONS COORDINATION, U.S. CUSTOMS AND BORDER PROTECTION, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. NIETO. Thank you, and good afternoon.

Chairman Scott, Ranking Member Gohmert, Members of the Subcommittee, it is a privilege and an honor to appear before you today to discuss the work of U.S. Customs and Border Protection. CBP is the largest uniformed Federal law enforcement agency in the country. We station over 20,000 CBP officers at access points around the Nation at air, land and sea ports. By the end of fiscal year 2009, we will have deployed over 20,000 Border Patrol agents between the ports of entry. These forces are supplemented with 980 Air and Marine agents, with 2,260 agricultural specialists and with other professionals. These personnel are key to the implementation of Secretary Napolitano's Southwest Border Initiative that she announced in March.

A key and growing area of emphasis for CBP involves the interdiction of weapons and currency. Escalating violence in the border regions and in the interior of Mexico poses a significant threat to both the United States and Mexico. Secretary Napolitano has tasked all DHS components, including CBP, to examine how we can increase our enforcement activities in an effort to mitigate southbound weapon and currency smuggling to the extent that resources and infrastructure allow.

We have ongoing initiatives by way of short-term plus-ups and operations plans that call for enhanced resources to include State and local law enforcement agencies, the mobility of CBP resources from outside the immediate area and the national level tactical teams, such as the Border Patrol Tactical Unit and Field Operations Special Response Teams. We continue enhancing our plans to address all threats and all hazards at the borders.

A majority of the illegal drugs consumed in the United States originate from or pass through Mexican territory or territorial seas. Huge illicit trafficking profits flow back into Mexican drug trafficking organizations across our common border. The Mexican Government's ability to confront its drug-trafficking industry and its willingness to cooperate with U.S. efforts directly affect the impact of any Southwest Border Initiative.

CBP has established positions at the El Paso Intelligence Center, otherwise known EPIC, at the Organized Crime Drug Enforcement Task Force Fusion Center and at the DEA Special Operations Division. These initiatives enhance interaction with the Intelligence Community and with law enforcement agencies.

Additionally, CBP's Office of Intelligence and Operations Coordination established a National Post-Seizure Analysis Team, and is in the process of establishing Intelligence Operations Coordination Centers, known as IOCCs, in the field. The IOCCs will make CBP a more fully integrated, intelligence-driven organization by linking intelligence efforts and products to operations and interdictions.

CBP works with other agencies to provide actionable intelligence to the Joint Interagency Task Force-South, JIATF-S. This intelligence is used to interdict the flow of cocaine from northern South America to the United States.

The detection of U.S.-Mexican border air intrusions is essential to effective interdiction operations along our border with Mexico. The primary means of detection is a large radar network, monitored at the Air and Marine Operations Center, or the AMOC, in Riverside, California. Personnel at the AMOC detect aircraft, short landings and border penetrations, and they coordinate CBP assets and Mexican interdiction assets to intercept, track and apprehend smugglers as they traverse the U.S.-Mexico border.

CBP continues its evolution to become a more integrated, intelligence-driven organization, and we are in the process of establishing a robust field organization. Intelligence gathering and predictive analysis require new collection and processing capabilities. CBP is also developing the analytical framework for intelligence and a set of data-processing tools that will improve the effectiveness of CBP and of other DHS analysts in detecting, locating and in analyzing terrorist networks, drug-trafficking networks and similar threats. These intelligence and operational coordination initiatives complement the Secure Border Initiative's technology programs.

Thank you for the opportunity to describe our plans for border security and to highlight some of our progress to date. With your continued support of DHS, CBP and ICE, I am confident that we will continue to make tremendous strides in increasing the control of our borders. I look forward to your questions.

[The prepared statement of Mr. Nieto follows:]

PREPARED STATEMENT OF SAL NIETO

Chairman Scott, Ranking Member Gohmert, Members of the Subcommittee, it is a privilege and an honor to appear before you today to discuss the work of U.S. Customs and Border Protection (CBP), particularly the tremendous dedication of our men and women in the field both at and between our ports of entry.

CBP is the largest uniformed federal law enforcement agency in the country with over 20,000 CBP officers; 18,800 Border Patrol agents; over 1,000 Air and Marine agents; 2,280 agricultural specialists; and other professionals. These personnel are key players to the implementation of Secretary Napolitano's Southwest Border Security Initiative announced in March.

I am pleased to report that CBP continues to achieve success in performing our traditional missions, which include stemming the flow of illegal drugs and contraband, protecting our agricultural and economic interests from harmful pests and diseases, protecting American businesses from theft of their intellectual property, enforcing textile agreements, tracking import safety violations, protecting the economy from monopolistic practices, regulating and facilitating international trade, collecting import duties, and enforcing United States trade laws. At the same time, our employees maintain a vigilant watch for terrorist threats. In FY 2008, CBP processed more than 396 million pedestrians and passengers, 122 million conveyances, 29 million trade entries, examined 5.6 million sea, rail, and truck containers, performed over 25 million agriculture inspections, apprehended over 720 thousand illegal aliens between our ports of entry, encountered over 220 thousand inadmissible aliens at the ports of entry, and seized more than 2.8 million pounds of illegal drugs.

We must perform our important security and trade enforcement work without stifling the flow of legitimate trade and travel that is so important to our nation's economy. These are our twin goals: border security and facilitation of legitimate trade and travel.

SUPPORT OF U.S./MEXICAN COUNTER-DRUG AND COUNTER-TERRORISM INITIATIVES

A key and growing area of emphasis involves DHS's role in interdicting the illegal flow of weapons and currency into Mexico. The recent surge in violence in the interior and border cities of Mexico poses a significant threat in Mexico and is a serious concern of the United States. Secretary Napolitano has tasked all DHS components,

including CBP, to examine how we can reasonably increase our enforcement activities in an effort to identify and interrupt efforts to smuggle weapons and bulk cash shipments into Mexico.

A majority of the illegal drugs consumed in the United States originate from or pass through Mexican territory and territorial seas. Illicit trafficking profits flow back to Mexican drug trafficking organizations across our common border. The Mexican government's ability to confront its drug trafficking industry and its willingness to cooperate with U.S. efforts directly affect the impact of any southwest border activities.

In a spirit of cooperation, CBP has established positions at the El Paso Intelligence Center (EPIC), the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, and the DEA Special Operations Division. These initiatives enhance interaction with the Intelligence Community (IC) and law enforcement agencies to more effectively facilitate the collection, analysis, and dissemination of actionable drug-related intelligence as well as two full-time positions at the National Gang Intelligence Center (NGIC), and has also partnered with the National Gang Targeting, Enforcement and Coordination Center (GangTECC).

EPIC, originally established in an effort to improve drug and border enforcement operations along the Southwest Border, has broadened its mission becoming international in scope. Centrally located in El Paso, it also has the following representation: the Department of Homeland Security; CBP; Immigration & Customs Enforcement; U.S. Coast Guard; U.S. Secret Service; Drug Enforcement Administration; Federal Bureau of Investigation; Bureau of Alcohol, Tobacco, Firearms and Explosives; U.S. Marshals Service; National Drug Intelligence Center; Internal Revenue Service; Department of the Interior; National Geospatial-Intelligence Agency; Department of Defense; Joint Task Force—North; Joint Interagency Task Force—South; Texas Department of Public Safety; and other state and local agencies. The multi-agency environment of EPIC makes it ideal for the exchange of information and intelligence.

Additionally, CBP's Office of Intelligence and Operations Coordination established a National Post Seizure Analysis Team (PSAT) at the National Targeting Center-Cargo and is in the process of establishing Intelligence Operations Coordination Centers (IOCC) with the first one under construction in Tucson, Arizona. The IOCCs will make CBP a more fully integrated, intelligence driven organization by linking intelligence efforts and products to operations and interdictions.

Operation Panama Express is an OCDETF initiative, executed through OCDETF Co-located Strike Forces, in which CBP participates with the Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), U.S. Immigration and Customs Enforcement, Internal Revenue Service—Criminal Investigations Division, the U.S. Coast Guard, and multiple state and local law enforcement agencies in a multi-agency international drug flow investigation that combines detection and monitoring, investigative, and intelligence resources to provide actionable intelligence to Joint Interagency Task Force—South (JIATF-S) operations to interdict the flow of cocaine from northern South America to the United States. JIATF-S interdiction operations in the transit zone supported by CBP P-3 Airborne Early Warning, Coast Guard HC-130, Coast Guard vessels, and CBP P-3 Tracker aircraft interdict large, sometimes multi-ton, shipments before they can be split into smaller loads for movement across the southwest border over multiple routes and distributed to U.S. cities, towns, and small communities.

CBP is also responsible for detecting and preventing unauthorized incursions into the United States. Toward this end, CBP continues to work with the Mexican Government in the development of increased law enforcement surveillance and interdiction capabilities. Detection of U.S./Mexican border air intrusions is essential to effective interdiction operations along our borders with Mexico. The primary means of detection is a large radar network, monitored at the Air and Marine Operations Center (AMOC) in Riverside, California. Information is fed to the AMOC through a network of airborne early warning, aerostat, Federal Aviation Administration (FAA), and ground based radar systems. Personnel at the AMOC detect aircraft "short landings" and border penetrations and coordinate CBP and Mexican interdiction assets to intercept, track, and apprehend smugglers as they transverse the U.S./Mexico border.

The Government of Mexico maintains a strong commitment to interdiction. CBP will continue to assist the Government of Mexico in its counterdrug effort, including Command, Control, Communications, and Information support.

INTELLIGENCE AND OPERATIONAL COORDINATION

CBP continues to evolve into a more integrated, intelligence-driven organization and we are in the process of establishing a robust field organization. The CBP Office Intelligence and Operations Coordination is in the process of developing capabilities which will integrate CBP intelligence and operational elements for more effective command and control, mission deployment, and allocation of resources.

Intelligence gathering and predictive analysis require new collection and processing capabilities. CBP is also developing the Analytical Framework for Intelligence (AFI), a set of data processing tools that will improve the effectiveness of CBP and other DHS analysts in detecting, locating, and analyzing terrorist networks, drug trafficking networks, and other threats. These intelligence and operational coordination initiatives complement the Secure Border Initiative's (SBI) technology programs.

SOUTHWEST BORDER INITIATIVE

In March, Secretary Napolitano announced a far-reaching Southwest Border Initiative to crack down on Mexican drug cartels through enhanced border security, including the deployment of hundreds of new personnel, enhanced intelligence technology that will maximize capabilities and better coordination with other federal law enforcement entities such as the Department of Justice, the Bureau of Alcohol, Tobacco and Firearms, DEA, and FBI as well as state, local, and Mexican law enforcement authorities. The Secretary's initiative calls for a number of CBP actions:

Initiates 100 percent southbound rail scanning—Customs and Border Protection formerly did not screen any of the cargo traveling by rail from the United States into Mexico; it is now scanning all of rail cargo for weapons, ammunition, and currency. Existing non-intrusive inspection equipment is being used to detect contraband in cargo on each of the eight rail crossings on the southwest border.

Adds Border Patrol Agents—CBP is placing 100 more Border Patrol agents at southwestern ports of entry to bolster outbound inspections from the U.S. into Mexico in order to detect arms and bulk-cash smuggling. In the past, the Border Patrol has not ordinarily served in this capacity.

Adds Mobile Response Teams—Three Mobile Response Teams of 25 CBP officers each are periodically deploying to the southwest border to participate in focused operations developed to combat arms and bulk cash smuggling.

Augments Search Technologies—An additional nine Z-Backscatter mobile X-ray units have been moved to the southwest border to help CBP identify anomalies in passenger vehicles.

Engages Canine Teams—A total of twelve teams of "cross-trained" canines—trained to identify both weapons and currency—have been deployed to the southwest border.

Adds License Plate Readers—Outbound lanes currently equipped with license plate readers will receive upgraded license plate reader technology to improve CBP's ability to identify the vehicles of known or suspected smugglers of cash, weapons, drugs, or persons. This information is shared with other law enforcement agencies through EPIC and the OCEDEF Fusion Center.

Enhances Operation Stonegarden Grant Funding on the Border—Grant guidance for the remaining balances in Operation Stonegarden from FY 2006 to FY 2008 will be modified to enhance current state, local, and tribal law enforcement operations on the southwest border. The new guidelines will expand the scope of what the funds can be used for, freeing up to \$59 million for state, local, and tribal law enforcement on the border to pay for additional law enforcement personnel, operational overtime expenses, and travel or lodging for deployment to the southwest border.

Actively Engages State, Local, and Tribal Law Enforcement—DHS is aggressively reaching out to law enforcement in border communities, recently conducting a firsthand tour of state and local law enforcement operations along the southwest border and leading bi-monthly conference calls with chiefs of police and sheriffs in a classified setting.

CONCLUSION

Thank you for the opportunity to describe our plans for border security and to highlight some of our progress to date. With your continued support of CBP, I am confident that we will continue to make tremendous strides in increasing control of our borders.

I look forward to your questions.

Mr. SCOTT. Ms. Ayala.

TESTIMONY OF JANICE AYALA, DEPUTY ASSISTANT DIRECTOR, OFFICE OF INVESTIGATIONS, U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. AYALA. Chairman Scott, Ranking Member Gohmert and distinguished Members of the Subcommittee, on behalf of Secretary Napolitano and Acting Assistant Secretary Torres, I thank you for the opportunity to discuss ICE's efforts to combat cross-border violence and crime and related violence.

ICE has the most expansive investigative authority and the largest force of investigators within DHS, but this challenge cannot be addressed by any one agency. Partnerships are essential, and ICE works closely with foreign, Federal, tribal, State, and local agencies to secure our borders, including the agencies that my colleagues here today represent.

DHS recognizes that southbound weapons smuggling is of grave concern amid growing violence along our border with Mexico. This violence requires a comprehensive bilateral effort. On January 30, Secretary Napolitano responded by issuing a Border Security Action Directive, which focused the wide-ranging authorities of the Department on the violence along our southern border. The Secretary emphasized the necessity of a broad, multiagency response to attack the flow of weapons and money that continues to fuel the violence.

ICE contributes to the spike principally through two bilateral initiatives: Operation Firewall, to counter bulk cash smuggling, as well as Operation Armas Cruzadas, to counter weapons smuggling. The ICE-led Border Enforcement Security Task Forces provide a comprehensive, multiagency platform to fight these particular threats.

Under Armas Cruzadas, U.S. and Mexican investigators synchronize bilateral law enforcement and intelligence-sharing activities in order to detect, disrupt and dismantle these weapons-smuggling networks. Key supporting actions include use of ICE's long-standing authorities under the Arms Export Control Act, as well as newly acquired export authority that is particularly useful in targeting these weapons-smuggling networks.

To more seamlessly investigate these networks that span our common border, BEST, ICE attache offices, a U.S.-vetted Mexican arms trafficking group, and the ICE Border Violence Intelligence Cell exchange weapons-related intelligence. For example, in August of last year, an ICE investigation developed information that was rapidly shared with Mexican investigators regarding a safe house in Nogales, Sonora, used by cartel hitmen. A subsequent search resulted in 6 arrests, a seizure of police uniforms, a large amount of U.S. currency, 12 weapons, and 4 stolen U.S. vehicles.

Intelligence stemming from single actions like this is analyzed by the BVIC, who, in conjunction with other DHS intelligence components, produce a strategic assessment focused on southbound weapons smuggling.

Let me show you another example of how ICE partners with others in combating weapons smuggling. ICE, ATF and the San Anto-

nio Police Department initiated an investigation of Ernesto Olvera-Garza, a Mexican national at the time of his arrest in October 2007, trafficking high-powered, high-capacity handguns and assault rifles. He led a gun-smuggling conspiracy that purchased and smuggled more than 50 weapons into Mexico. One of these weapons was recovered after it was used in a gun battle where two Mexican soldiers were killed. Olvera-Garza pleaded guilty to violations of Title XVIII, U.S.C. 554, 922 and 371, and he has been sentenced to 144 months incarceration.

Since the initiation of Armas Cruzadas, over 1,440 weapons and over 122,000 rounds of ammunition have been seized and over 329 individuals arrested.

One of the most effective methods in dealing with violent, transnational, criminal organizations is to track the criminal proceeds that fund their operations. As we have hardened formal financial systems throughout the United States, the smuggling of bulk currency out of the country has been on the rise. ICE investigates bulk-cash smuggling as part of its border crime portfolio.

ICE and CBP conduct Operation Firewall interdiction operations, investigations with Mexican Customs, and ICE trains Mexican money-laundering vetted units. Since its inception, Firewall has seized over \$195 million, including \$64 million seized overseas in more than 452 arrests.

The principal investigative platform for both Armas Cruzadas and Firewall are the 10 multiagency BESTs located along high-threat smuggling corridors along the southwest border. Created to specifically address border violence, these BESTs concentrate on top threats within their geographic areas, including weapons, bulk cash, narcotics and alien smuggling. Through BEST, we have dismantled arms trafficking, human trafficking, bulk cash, alien and narcotics smuggling organizations, and their hostage-taking and murder-kidnapping cells in the United States and in Mexico.

Since July of 2005, BESTs have been responsible for more than 5,100 arrests and for the seizure of about 190,000 pounds of narcotics, of thousands of weapons, and of almost \$25 million in U.S. currency.

ICE is committed to effective cross-border communication and information sharing to stem binational criminal activity and its associated violence through the deployment of BESTs, Operation Armas Cruzadas and Operation Firewall. By partnering with other law-enforcement agencies, we are able to use a broad range of authorities, including the most sophisticated investigative tools, to respond to and to conduct our investigations.

Once again, I would like to thank the Subcommittee for its continued support of ICE in our law-enforcement mission, and I would be happy to answer any questions that you may have at this time.

Mr. SCOTT. Thank you very much.

[The prepared statement of Ms. Ayala follows:]

PREPARED STATEMENT OF JANICE AYALA

INTRODUCTION

Chairman Scott, Ranking Member Gohmert, and distinguished Members of the Subcommittee:

On behalf of Secretary Napolitano and Acting Assistant Secretary Torres, I would like to thank you for the opportunity to discuss U.S. Immigration and Customs Enforcement's (ICE) efforts to combat cross-border smuggling organizations and the violence related to their enterprises. ICE has the most expansive investigative authority and largest force of investigators in the Department of Homeland Security (DHS), and we protect national security and uphold public safety by targeting transnational criminal networks and terrorist organizations that seek to exploit vulnerabilities at our borders. Recognizing that partnerships are essential, ICE works closely across agency and international boundaries with our law enforcement partners at the foreign, federal, tribal, state and local level creating a transparent border and united front to disrupt and dismantle criminal organizations.

ICE's expertise in combating smuggling organizations that exploit vulnerabilities in the sea, air, and land environments has proven essential in countering the bilateral smuggling of narcotics, illicit money, and other dangerous goods, people, and materials that threaten the well-being of the United States. Our law enforcement presence extends beyond our borders. ICE has agents in attaché offices in embassies and consulates worldwide. I am proud of these agents who work with their foreign counterparts to combat crime that originates overseas but may eventually cross the Nation's borders.

Let me share with you an example of the mutual security benefits we continue to derive through our partnerships with Mexican law enforcement agencies such as Secretaria de Seguridad Publica (SSP). In August 2008, ICE agents provided confidential information to SSP through our Assistant Attaché in Hermosillo, Mexico about a residence allegedly used to store weapons and narcotics and which was believed to be a safe house for security personnel ("hit men") for the Vicente Carrillo Fuentes drug trafficking organization (DTO) operating in Nogales, Sonora. SSP executed a search warrant at this residence that resulted in six arrests, the seizure of police uniforms, a large amount of U.S. currency, 12 weapons, and four stolen U.S. vehicles. The six people arrested are suspected of being involved in two separate crimes: first, an armed confrontation on August 5, 2008, in Nogales, Sonora where a civilian was injured after a grenade was detonated during a shootout between two DTOs, and second, the murder of two Mexican nationals whose bodies were found with threatening messages from rival narcotics traffickers.

DHS recognizes that southbound weapons smuggling is a grave concern amid the growing violence along our border with Mexico. This violence requires a comprehensive, bilateral effort and on January 30, 2009, Secretary Napolitano responded by issuing a Border Security Action Directive which focused the wide-ranging authorities of the Department on the rampant violence along our Southwest Border. On March 24, she announced several Southwest Border initiatives designed to crack down on Mexican drug cartels through enhanced border security. The plan calls for additional personnel, increased intelligence capability and better coordination with state, local and Mexican law enforcement authorities. With violence escalating across the border, DHS will increase personnel and improve screening and technology to help Mexico target illegal guns, drugs and cash.

The Secretary emphasized the necessity of a broad, multi-agency response to attack the flow of weapons and money that continues to fuel the violence. ICE contributes to that fight through two principal bilateral initiatives: Operation Firewall to address bulk cash smuggling; and Operation Armas Cruzadas, to detect, disrupt and dismantle weapons smuggling networks. Particularly in Armas Cruzadas, ICE-led Border Enforcement Security Task Forces (BESTs) function as critical enablers in coordinating a comprehensive, multi-agency approach to fighting weapons smuggling. These DHS task forces include important partners such as Customs and Border Protection (CBP), Alcohol, Tobacco, Firearms and Explosives (ATF) and other foreign, federal, state and local task force officers. When it comes to countering the illicit weapons trade in particular, we closely coordinate our efforts with ATF, as they possess long-standing expertise in gun trafficking investigations and in engagement with Federal Firearms Licensees.

Armas Cruzadas:

The rampant border violence along the United States/Mexico border is a direct result of criminal organizations attempting to exert their control over not only the democratically elected officials of the Mexican government but also rival criminal or-

ganizations. For instance, many of the instruments of this violence are weapons smuggled from the United States into Mexico.

Criminal organizations commonly use straw purchasers with clean criminal histories to purchase firearms and turn them over to smugglers. The challenge in countering the smuggling activity is compounded by the reliance on the technique called "ant trafficking," where small numbers of weapons are smuggled through multiple ports-of-entry, on a continued basis.

In June 2008, ICE formally launched Operation Armas Cruzadas to combat transnational criminal networks smuggling weapons into Mexico from the United States. As part of this initiative, the United States and the Government of Mexico (GoM) synchronize bilateral interdiction, investigation and intelligence-sharing activities to identify, disrupt, and dismantle these networks engaged in weapons smuggling. Key components of Armas Cruzadas include training for BEST task force officers and our partners in ICE's long-standing authorities under the Arms Export Control Act, as well as newly-acquired export authority under Title 18, United States Code, Section 554 (Smuggling goods from the United States). This statute augments the broad arsenal of cross-border criminal authorities available to ICE investigators, and is particularly useful in targeting weapons smuggling. Another important Armas Cruzadas component is industry outreach, including presentations to groups involved in the manufacture, sale, or shipment of firearms and ammunition along the southwest border. This industry outreach includes a collaborative initiative between ICE and Mexico's Procuraduria General de La Republica (PGR) prosecutors to produce bilingual posters identifying potential penalties for weapons smugglers under U.S. export and Mexican gun trafficking laws. The posters solicit the public for information related to these schemes, and are displayed in shops and agencies in the border region, including ports-of-entry. The Government of Mexico has also distributed these posters within Mexico.

In addition to outreach, more rapid exchange of information is essential to success in confronting the southbound weapons flow. Armas Cruzadas strengthens bilateral communication through deployment of ICE Border Liaisons to sustain cooperative working relationships with foreign and domestic government entities; and also through a Weapons Virtual Task Force, comprised of a virtual online community where U.S. and Mexican investigators can share intelligence and communicate in a secure environment. In order to more seamlessly investigate the networks that span our common border, BESTs, ICE attaché offices, a U.S.-vetted GoM Arms Trafficking Group, and the Border Violence Intelligence Cell exchange cross-border weapons-related intelligence. The Border Violence Intelligence Cell, housed at the El Paso Intelligence Center (EPIC), along with the ATF weapons desk, serves as ICE's central point for analyzing all-source intelligence and trends in firearms smuggling. In December of last year, this cell, in conjunction with DHS intelligence components, produced a strategic assessment of southbound weapons smuggling that guided increased weapons investigation and interdiction operations along the Southwest Border.

Let me share an example of how ICE partners with others, such as ATF and local investigators, in combating weapons smuggling. ICE, ATF, and the San Antonio Police Department initiated an investigation of Ernesto Tornel Olvera-Garza of Monterrey, Mexico who first began trafficking in hunting rifles in June 2005. During the course of the investigation, agents learned that between 2006 and the time of his arrest in October 2007, he trafficked in high-powered, high-capacity handguns and assault rifles. Since his temporary visa did not allow him to legally buy guns in the United States,

Mr. Olvera-Garza instead paid people in the United States to buy guns for him and lied about who the guns were for. Mr. Olvera-Garza organized and led the gun-smuggling conspiracy, which included at least nine "straw purchasers" who purchased firearms on his behalf. More than 50 weapons were purchased and smuggled to Mexico as part of this ring. One of Mr. Olvera-Garza's smuggled pistols was recovered in Mexico after it was used in a running gun battle where two Mexican soldiers were killed. Mr. Olvera-Garza has pleaded guilty and is pending sentencing.

Since the initiation of Operations Armas Cruzadas, DHS has seized 1,440 weapons, 122,410 rounds of ammunition and arrested 329 individuals on criminal charges, resulting in 94 criminal indictments and 51 convictions to date.

Operation Firewall:

Another, and one of the most effective methods to deal with violent, transnational criminal organizations is to attack the criminal proceeds that fund their operations. ICE targets those individuals and organizations exploiting vulnerabilities in financial systems to launder illicit proceeds and pursue the financial component of every cross-border criminal investigation. The combination of successful financial inves-

tigations, Bank Secrecy Act (BSA) reporting requirements, and Anti-Money Laundering (AML) compliance efforts by traditional and non-traditional financial institutions has forced criminal organizations to seek other means to transport illicit funds across our borders. As we have hardened these formal financial systems, the smuggling of bulk currency out of the United States, especially along the Southwest Border, has continued to rise. ICE, as the investigative agency with jurisdiction over all border crimes, can investigate bulk cash smuggling (BCS) crimes, which are predicated on the failure to file a Currency and Monetary Instrument Report (CMIR).

The ICE Office of Investigations (OI), along with the ICE Office of International Affairs (OIA) and CBP, coordinates with our state, local, and foreign partners on BCS operations. These operations disrupt the flow of bulk cash that can be used by terrorist groups, drug traffickers, and other criminal organizations. ICE, in concert with CBP, also provides money laundering training and BCS interdiction equipment to our law enforcement partners in the United States and abroad.

ICE has a number of initiatives to address BCS. Operation Firewall focuses on the threat of BCS via commercial and private passenger vehicles, commercial airline shipments, airline passengers, and pedestrians. Since 2005, Operation Firewall efforts have been enhanced to include jump team surge operations targeting the movement of bulk cash destined for the southwest border for smuggling into Mexico. ICE and CBP have conducted various Operation Firewall operations with Mexican customs and the ICE-trained Mexican Money Laundering Vetted Unit. Many Operation Firewall seizures result in criminal investigations to identify the source of the funds and the responsible organizations.

ICE's experience in conducting international money laundering investigations has identified numerous smuggling routes and methodologies used by criminal organizations to launder illicit proceeds. This experience enables ICE, CBP, and our domestic and international partners to concentrate resources. Initially, Firewall operations in Mexico focused on the targeting of commercial flights from Mexico City to Central and South America. In 2008, based on our experience, we expanded Mexico Firewall operations to target shipments in containers departing from the seaport of Manzanillo and the airports of Toluca, Mexicali, Cancun, and Guadalajara. Throughout operations in Mexico, ICE and CBP personnel have trained our Mexican law enforcement partners on passenger analysis and investigative techniques proven effective in the United States.

Operation Firewall produced immediate results. On the first day of operations in 2005 at the Benito Juarez International Airport in Mexico City, Mexican authorities seized \$7.8 million en route to Cali, Colombia concealed inside deep fryers, rotisseries, and voltage regulators. Other notable seizures include \$7.3 million seized inside rolls of fabric and plastic and \$4.7 million concealed inside air conditioning equipment and metal piping destined for Colombia.

Since its inception, Operation Firewall has resulted in the seizure of over \$195 million including over \$64 million seized overseas, and 452 arrests.

On June 26, 2008, Rafael Ravelo, a member of a Mexican based narcotics trafficking organization, was sentenced to 126 months of incarceration and the forfeiture of \$1,147,000. This sentence was the result of the ICE-led Operation Doughboy, an investigation that was initiated prior to Operation Firewall, based on a bulk cash smuggling interdiction. This joint U.S./Mexico investigation involved the monitoring of 18 phone lines of the heads of a Mexican narcotics trafficking organization and began when ICE agents in 2003 successfully linked a \$149,000 bulk cash seizure by the Texas Department of Public Safety to the narcotics trafficking organization.

Border Enforcement Security Task Force (BEST):

As I mentioned before, the principal investigative platform for both Operations Armas Cruzadas and Firewall are the Border Enforcement Security Task Forces (BESTs). These task forces were specifically created to address border violence.

In July 2005, in response to increased violence in Nuevo Laredo, Mexico and Laredo, Texas, ICE, CBP and other federal, state, and local law enforcement agencies, including Mexican agencies, expanded the ongoing Border Crimes Initiative by creating an international, multi-agency initiative, Operation Black Jack. This initiative used the respective authorities and resources of its members to dismantle cross-border criminal organizations. In its first six months, its target-driven focus led to the dismantling of a murder/kidnapping cell operating on both sides of the border, including the seizure of high-powered fully automatic weapons and live grenades; the components to make over 100 improvised explosive devices (IEDs), such as pipe bombs and grenades; and over \$1 million in U.S. currency.

Based on the success of Operation Black Jack, DHS established the first BEST in Laredo, Texas in January 2006. Since that time, we have established 12 BESTs: eight on the Southwest Border; two on the Northern Border; and two at seaports. BEST participants include: ICE (as the lead agency); CBP; ATF; the Drug Enforcement Administration (DEA); the Federal Bureau of Investigation (FBI); the U.S. Coast Guard; the U.S. Attorney's Office; and other federal, state, local and foreign law enforcement.

The BESTs are arrayed along the Southwest Border in high-threat smuggling corridors in: Arizona—Tucson (March 2006), Phoenix (March 2008), and Yuma (March 2008); Texas—El Paso (October 2006) and Rio Grande Valley (March 2007); California—San Diego (November 2006) and Imperial Valley (June 2008); and New Mexico—Deming (March 2009) and Las Cruces (March 2009). In early 2008, the first Northern Border BESTs initiated operations in Blaine, Washington (February 2008) and Buffalo, New York (March 2008). Each BEST concentrates on the prevalent threat in its geographic area, including: cross-border violence; weapons smuggling and trafficking; illegal drug and other contraband smuggling; money laundering and bulk cash smuggling; human smuggling and trafficking; transnational criminal gangs; and tunnel detection. Recently, we established BESTs at the seaports of Los Angeles, California (October 2008), and Miami, Florida (November 2008) to focus on maritime threats including the importation of contraband; commercial fraud; cargo theft; unlawful exportation of controlled commodities and munitions; stolen property; alien smuggling; and exportation of illicit proceeds. These BESTs will target internal conspiracies of corrupt transportation employees who participate in the smuggling of contraband and humans. Crucial to our success is the cooperation of our international partners. At BESTs on the Southwest Border, we have the participation of the Mexican law enforcement agency, SSP. On the Northern Border and in the northern BESTs, we have Canadian law enforcement agencies such as the Canada Border Services Agency, the Royal Canadian Mounted Police, the Ontario Provincial Police, the Niagara Regional Police Service, and the Toronto Metropolitan Police Service. In addition, we have the participation of the Argentinean customs agency at our Miami BEST. Through the interaction and coordination of all the member agencies, BESTs provide for immediate and international enhanced information sharing on border violence due to geographic proximity to the U.S. borders.

Through BESTs, we have dismantled arms trafficking, bulk-cash, alien and narcotics smuggling organizations and their hostage-taking and murder/kidnapping cells in the United States and Mexico. Since July 2005, the BESTs have been responsible for 2,238 criminal arrests, 2,924 administrative arrests, 1,014 indictments, and 846 convictions. In addition, BESTs have seized approximately 9,070 pounds of cocaine, 179,739 pounds of marijuana, 702 pounds of methamphetamine, 99 pounds of crystal methamphetamine, 1,161 pounds of ecstasy, 243 pounds of heroin, 97 pounds of hashish, 22 pounds of opium, 2,075 weapons, 820 vehicles, seven properties, and \$24.7 million in U.S. currency and monetary instruments.

I would like to share a few of our successes with you: the discovery and repatriation by the El Paso BEST of one of Mexico's top ten most wanted fugitives; the arrest by the Laredo BEST of a weapons trafficker supplying cartels with assault rifles used to murder Mexican police officer Navarro Rincon and others; the arrest by the Laredo BEST of a member of the Mexican Mafia in possession of approximately 897 pounds of smuggled marijuana after he attempted to run over a Texas Department of Public Safety officer; and the arrest by the Los Angeles Seaport BEST of an arms trafficker and seizure of 38 military style weapons.

CONCLUSION

In conclusion, ICE is committed to stemming the cross-border criminal activity and associated violence through the deployment of the BESTs, Operation Armas Cruzadas, and Operation Firewall. Partnering with others, we are using a broad range of authorities, including the most sophisticated investigative tools available, such as certified undercover operations and electronic surveillance operations, to disrupt and dismantle these networks.

I thank the Subcommittee Members for their support of ICE, CBP, DHS and our law enforcement mission. I would be happy to answer any questions that you may have at this time.

Mr. SCOTT. Mr. Placido.

TESTIMONY OF ANTHONY P. PLACIDO, ASSISTANT ADMINISTRATOR FOR INTELLIGENCE, UNITED STATES DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. PLACIDO. Good afternoon.

Chairman Scott, Ranking Member Smith, Members of the Subcommittee, thank you for the opportunity to appear today to discuss the Drug Enforcement Administration's views addressing the violence that is being generated by entrenched criminal organizations based in Mexico, as well as the potential impact of this violence on Americans and on our regional partners. It is vitally important that we accurately describe this problem before we invest taxpayer funds or craft programmatic solutions to deal with it.

Mexico-based drug-trafficking organizations have, over a period of many years, become so powerful that they represent a significant threat to the very authority of the Mexican state. Through the use of corruption, intimidation and violence, these organizations have for far too long been able to act with virtual impunity and to use Mexico as a base of operations from which to run a global criminal enterprise that has adverse consequences for the United States, for Mexico and, indeed, for the world.

Mexican drug-trafficking organizations now dominate wholesale and retail drug distribution throughout the United States. Their impact is felt far beyond our southwest border. The contraband drugs entering the United States from Mexico, the drug proceeds and the weapons entering Mexico from the United States, and the related violence are but symptoms of the larger disease. In fact, it is a mistake, in our view at DEA, to geographically limit this problem or to characterize it as a "border problem" per se.

The task in responding to this pervasive threat is to build a comprehensive, whole-of-government response that is fully integrated with Mexico and our regional partners to attack the problem—the disease—rather than merely mitigating the symptoms. This will require the better coordination of the U.S. interagency effort, not just better coordination between the United States and Mexico.

The importance of focusing on the criminal organizations rather than overemphasizing geography can best be made by examining the supply chain for cocaine. The U.S. interagency estimates, I think, that were quoted here earlier indicate that approximately 91 percent of the cocaine abused in the United States actually transits Mexico before it arrives. The seizure of that cocaine in the transit zone, by which I mean the area from the north coast of Colombia up to Mexico, is measured by the metric ton. For seizures of cocaine at our southwest border, the average seizure is only 47 pounds.

This tells us two important things, at least, from an intelligence perspective. First, we can be far more effective extending our operations south of the border and seizing the contraband in larger quantities, but probably much more important for our purposes is that the organizations—the people who organize, finance, direct, and control this enterprise—have for far too long operated, at least prior to the Calderon administration, with impunity, and have used

Mexico as a base of operations. These criminal power brokers do not personally handle the drugs. They are not the individuals who are smuggling drugs across their border, but they must be dealt with if we are going to make America safer.

While I have no intention of downplaying the important work done at our borders, we did not need an historic opportunity for engagement with Mexico to buttress security at the border. The strategic opening that we now have with Mexico offers an unprecedented opportunity to achieve defense in depth by denying safe haven to criminal organizations that previously operated with impunity from Mexico. Denying safe haven to these traffickers in Mexico will, over time, reduce the flow of contraband and violence from Mexico.

The Merida Initiative is a strategy that is focused on attacking criminal organizations, not geography. The goal of the Merida Initiative is to assist the Calderon administration in breaking the power and impunity to the cartels, while simultaneously fortifying Mexican Government institutions and infrastructure, essentially transforming what has become a national security crisis that has required Mexico to engage tens of thousands of military troops to maintain order into a problem that can be adequately managed with an enhanced Mexican criminal justice system.

This is the problem we face, and it is the problem that we can solve in the next 4 years if we can maintain our focus. We are fortunate to have willing and increasingly capable partners in the Calderon administration to address such a formidable task. With our help, President Calderon and his administration are relentlessly attacking the criminal organizations that have caused so much violence and destruction.

They have made arrests of important leaders from all of Mexico's cartels. These are the people who are responsible for systematically corrupting public institutions and officials, for undermining the rule of law and democratic governance and for challenging regional stability. These are the kingpins who organize, finance, direct, and control the criminal activity that affects us in the form of contraband, drugs and violence.

The Calderon administration has extradited more than 178 defendants to face U.S. justice, and it is reforming its own institutions to better address these criminals in Mexico. We are already seeing indications of success here at home. For the 2-year period from January of 2007 to December of 2008, which essentially corresponds directly with the tenure of President Calderon, we have seen the price per pure gram of cocaine more than double, up 104 percent in the United States, while the purity of that drug has plummeted almost 35 percent.

We have listened to judicially authorized intercepts of conversations between Mexican cartel members in which they describe the unprecedented stress being placed against them by the Calderon administration. Unfortunately, as the Government of Mexico's offensive has dramatically increased the pressure against these criminal organizations, the cartels have responded violently in a desperate attempt to preserve their illegal enterprise. As unfortunate as this violence is, it is not a harbinger of failure, but, rather,

a signpost of success. Mexico must stay the course, and it is in America's best interest to help them in that endeavor.

While intra- and intercartel violence has always been associated with the Mexican drug trade, the cartels are now intentionally targeting Mexican Government officials and innocent civilians. This violence, including the brutal murder of public officials in Mexico, is intended—these mutilated bodies and signs warning of even more graphic violence if they do not break the attack against these organizations is intended to break the public's will to support President Calderon's offensive. President Calderon's determination and resolve to press forward in spite of the sustained wave of brutal violence is commendable, but it has prompted many to examine the potential for spillover effects here in the United States.

Mr. SCOTT. Sir, could you begin wrapping it up?

Mr. PLACIDO. I will wrap it up, sir, by saying that we must seize this unprecedented opportunity to help Mexico take the fight to the criminal organizations, and that helping them play offense is the best way for us to defend America.

Thank you.

Mr. SCOTT. Thank you.

Mr. Hoover.

TESTIMONY OF WILLIAM J. HOOVER, ACTING DEPUTY DIRECTOR, BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES, U.S. DEPARTMENT OF JUSTICE

Mr. HOOVER. Chairman Scott, Ranking Member Smith and other distinguished Members of the Committee, I am William Hoover, the Acting Deputy Director of the Bureau of Alcohol, Tobacco, Firearms and Explosives. On behalf of Acting Director Ken Melson, I am honored to appear before you today to discuss ATF's ongoing role in preventing firearms from being illegally trafficked from the United States into Mexico and in working to reduce the associated violence along the border.

For over 30 years, the ATF has been protecting our citizens and communities from violent criminals and criminal organizations by safeguarding them from the illegal use of firearms and explosives. We are responsible for both regulating the firearms and explosives industries and for enforcing criminal laws relating to those commodities. ATF has the experience, expertise, tools, and commitment to investigate and to disrupt groups and individuals who obtain guns in the United States and illegally traffic them into Mexico.

The combination of ATF's crime-fighting expertise, specific statutory and regulatory authority, analytical capability, and strategic partnerships is used to combat firearms trafficking both along the U.S. borders and throughout the Nation. For instance, from fiscal year 2004 through February 17 of this year, Project Gunrunner, which is ATF's strategy for disrupting the flow of firearms to Mexico, has referred over 790 cases for prosecution involving 1,658 defendants. Those cases include 382 for firearms trafficking, which involve 1,035 defendants and an estimate of almost 13,000 firearms.

While the greatest proportion of firearms traffic to Mexico originates out of the States along the southwest border, ATF trace data has established that traffickers are also acquiring firearms from

other States as far east as Florida and as far north and west as Washington State. A case from April 2008 involving a violent shootout that resulted in 13 deaths illustrates this point. ATF traced 60 firearms recovered at a crime scene in Tijuana. As a result, leads have been forwarded to ATF field divisions in Denver, Houston, Los Angeles, Philadelphia, Phoenix, San Francisco, and Seattle to interview the first known purchasers of these firearms. These investigations continue.

Additionally, drug traffickers are known to supplement their firearms cash with explosives. Our expertise with explosives has proven to be another valuable tool to use in the fight against drug cartels. In fact, in the past 6 months, we have noted a troubling increase in the number of grenades seized from or used by drug traffickers. We are concerned about the possibility of explosives-related violence materializing in our U.S. border towns. We have had at least one such incident in San Juan, Texas, when a hand grenade was thrown into a crowd of 20 patrons. ATF was able to identify that grenade and believes it was linked to a Mexican drug cartel. We believe these devices were from the same source as those used during an attack on our U.S. consulate in Monterrey, Mexico.

Along the southwest border, ATF's Project Gunrunner includes approximately 148 special agents dedicated to investigating firearms trafficking. Fifty-nine industry operation investigators are responsible for conducting regulatory inspections of federally licensed gun dealers, known as Federal Firearms Licensees, or FFLs. Just last week we sent over 100 additional personnel to the Houston field division to support our push against the trafficking of firearms to Mexico.

As the sole agency that regulates the FFLs, roughly 7,000 of whom are along the southwest border, the ATF has the statutory authority to inspect and examine the records and the inventory of licensees for firearms trafficking trends and patterns and to revoke the licenses of those who are complicit in firearms trafficking.

For instance, ATF used its regulatory authority to review the records of an FFL who received close to 2,000 firearms, who removed their serial numbers, and who then trafficked them to Mexico with the aid of a conspirator who resided in Mexico. ATF recovered over \$120,000 in cash and 89 firearms, 8 of which had obliterated serial numbers, from the FFL. The ATF conducted a buy-bust operation with the Mexican contact, at which time he was also arrested. A review of records from the wholesalers confirmed that the FFL had received 1,869 firearms.

An essential component of ATF's strategy to curtail firearms trafficking to Mexico is the tracing of firearms seized in both countries. Using this information, ATF can establish the identity of the first retail purchaser of the firearm and possibly learn pertinent information, such as how the gun came to be used in the furtherance of a crime or how it came to be located in Mexico. Furthermore, analysis of aggregate trace data can reveal trafficking trends and networks, showing where the guns are being purchased, who is purchasing them and how they flow across the border.

Let me share an example of how trace data can identify a firearms trafficker. ATF's analysis of trace data linked a man living in a U.S. city along the border to three crime guns recovered at

three different crime scenes in Mexico. Further investigation uncovered that he was the purchaser of a fourth firearm recovered at yet another crime scene in Mexico, and that he had purchased over 100 AR-15-type receivers and 7 additional firearms within a short time span, using 9 different FFL wholesale distributors as the sources for his firearms. In April 2008, ATF seized 80 firearms from the suspect, and learned that he was manufacturing guns in his home. He sold over 100 guns alone to an individual who was suspected of being linked to a cartel. These investigative leads are also being pursued.

Lastly, I would like to mention ATF's operational presence at the El Paso Intelligence Center, or EPIC, located in El Paso, Texas. EPIC is certainly one of the most valuable tools for intelligence sharing and for the coordination and multiagency efforts to curb violence and firearms trafficking activities along the southwest border.

At EPIC we operate what is known as the ATF gun desk. The mission of the n desk is to identify and analyze all firearms- and explosives-related data acquired and collected from law enforcement and open sources. This would include Mexican military and law enforcement, along with U.S. law enforcement assets operating on both sides of the border.

Chairman Scott and the other distinguished Members of this Committee, on behalf of the men and women of ATF, I thank you and your staffs for your continued support of our crucial work. With the backing of this Committee, ATF can continue to fight violent crime in the Nation's cities and on our borders, making our Nation even more secure.

Thank you.

Mr. SCOTT. Thank you.

We will recognize ourselves for 5 minutes for questions.

I will recognize the presence of the gentleman, our colleague from Virginia, Mr. Goodlatte, who has come in.

I recognize myself for 5 minutes for questions.

Mr. Hoover, you indicated that you used firearm records to trace many of these. Can you indicate the impact of the Tiahrt amendment on sharing trace data and on the requirement that records not be kept more than—what is it—90 days? What impact has that had on your ability to investigate crimes?

Mr. HOOVER. The Tiahrt amendment allows us to share information with the agency that provided the trace data. It does not allow us to share information with anyone other than that agency. If the other agencies would like to request to use that data, then they have to go through the agency that submitted it to ATF for the trace.

Mr. SCOTT. How does that affect the ability to investigate crimes?

Mr. HOOVER. It does not impact our ability to investigate crimes. It would simply cause those agencies, other than the requesting agency, to use that agency's information to investigate that specific firearm trafficking.

Mr. SCOTT. So we should not be concerned about that?

Mr. HOOVER. It has not been an issue at this point with law enforcement, no, sir.

Mr. SCOTT. What about the length of time licensees have to keep the records?

Mr. HOOVER. The licensees keep their records forever, and when they go out of business, they give the information to ATF, to our out-of-business records, and we maintain the record on that sale if that licensee goes out of business.

Mr. SCOTT. What is the provision that some records are only kept for—

Mr. HOOVER. That is part of the NICS Improvement Act, sir, I believe, where NICS records are only allowed to be kept for a certain portion of the time.

Mr. SCOTT. For about 90 days?

Mr. HOOVER. I am not sure. I would have to get that answer for you, sir.

Mr. SCOTT. Does anybody know?

But that is not—

Mr. HOOVER. It is the Brady check, sir, that is kept for 90 days, and then those records are destroyed.

Mr. SCOTT. That would not be helpful to keep those records longer?

Mr. HOOVER. It may be, sir. I would have to check into that and get the information back to you.

Mr. SCOTT. But that is not anything that you are asking?

Mr. HOOVER. No, sir.

Mr. SCOTT. Okay. You said you had 1,035 people who were caught. Did I understand that right?

Mr. HOOVER. One thousand thirty-five defendants with those trafficking investigations, yes, sir.

Mr. SCOTT. What happened to them? What was the disposition of those cases?

Mr. HOOVER. They would have been sentenced for various lengths of time through our judicial proceedings. I do not have the exact sentences for each and every one of those.

Mr. SCOTT. Do you have an idea? Did they get much time; 6 months, 8 years?

Mr. HOOVER. It varies. If it is an (a)(6) violation for lying and buying, it is somewhere between 12 months to 2 years, something in that area.

Mr. SCOTT. Okay. Mr. Nash, you indicated that you had 750 arrests.

Mr. NASH. That was in connection with a single operation. That was Operation Xcellerator, which came down in March of this year.

Mr. SCOTT. What happened to them?

Mr. NASH. The arrests were only made in March of this year. There are prosecutions that are going forward in at least 30 jurisdictions as a result of that operation. It will take some time to get the final dispositions. I can represent that none of those people have been sentenced as of yet.

Mr. SCOTT. Okay. You indicated that 12,000 pounds of meth had been captured.

Mr. NASH. That is accurate with respect to Operation Xcellerator, yes.

Mr. SCOTT. Do you know how much meth gets through?

Mr. NASH. We do not have a firm estimate on that.

Mr. SCOTT. Of over 1 million Ecstasy pills, do you know how many get through?

Mr. NASH. No, sir.

Mr. SCOTT. Do you know whether you are capturing a significant portion of what is being shipped?

Mr. NASH. Sir, I think the best indicators as to our effectiveness are the statistics that were cited by Mr. Placido in his testimony, which indicate that, with respect to cocaine, which are the numbers for which we have the firmest and best statistics, we have right now experienced, for 2 years now, a sustained increase in both the price that you pay on the street for a gram of cocaine and a decline in the purity of that product on the street. As Mr. Placido testified, the price of that gram has almost doubled in the span of the last 2 years—or it has more than doubled in the last 2 years. The purity during that period has declined by 30 percent. We use that as at least one data point to suggest that our efforts are having a considerable effect on the availability of drugs on the streets of the United States.

Mr. SCOTT. Well, that affects the price. Does it affect the availability? I mean, has anybody gone to a drug dealer and been told, “I just cannot get any today. You have got to wait until tomorrow or next week to see if we can get a shipment”?

Mr. NASH. Again, as Mr. Placido mentioned, we do have anecdotal evidence, from listening in through judicialized wire intercepts to dealers, that people have complained about shortages; but again, this is a market, and markets operate as a rationing device. Certainly when we were experiencing shortages of gasoline, it was not that people could not get gasoline; it was that the price at the pump went from \$2 to \$4. A consequence of that is that people were driving less. The market for drugs, I would suggest, works similarly to that, and when the price goes up—

Mr. SCOTT. Let me give the only couple of seconds I have left to Mr. Placido to comment on availability.

Mr. PLACIDO. Certainly, sir.

What I can tell you is that on certain drugs such as cocaine, which is produced from a plant, marijuana or heroin, we have got estimates about total production. It becomes more difficult with synthetic drugs of abuse, like methamphetamine or MDMA.

Just to give you an example that may be responsive to your question, in 2008, the U.S. Interagency estimated a range of production between 901 and 1,082 metric tons of cocaine actually produced. Seizures worldwide were about 528 metric tons or, roughly, anywhere from 49 to 59 percent of the total amount of cocaine produced having been seized. So it is a significant amount. We showed, just by reference in terms of Mexican heroin, approximately 15 percent of the estimated 18 metric tons produced having been seized, and in terms of Mexican marijuana, between seizures and eradications, about 21 percent of seizures. So there is some significant work being done on the enforcement side.

With regard to shifts in price and purity, one of the things that is particularly important when you talk about cocaine in particular is as scarcity occurs, that is where you see the fluctuations in purity. They add adulterants: lactose, sugar, other commodities. So,

not only does the price go up, but as to the purity of the drug that is being sold, we have seen a 35 percent drop as well.

So it is an indicator of decreased availability.

Mr. SCOTT. Thank you.

The gentleman from Texas, Judge Poe.

Mr. POE. Thank you, Mr. Chairman.

Thank all of you for being here. The purpose of this hearing is to determine the problem; that is any of the violence on the border, especially American side. We have heard, and I have heard personally, from people on the border, usually politicians, mayors, chambers of commerce; it is not really a problem on the American side.

I would like for you to look at a chart that is over here.

Can we have the chart please?

I spent a lot of time on the Texas Mexico border talking to folks like the Border Patrol, the DEA, but also the Texas border sheriffs. And I asked them to tell me the percentage of people in their jailhouse that are foreign nationals, that are not there being held by the Feds on immigration violations only, but being held with felonies or misdemeanors where they have been charged in the county.

And you see, starting in El Paso, the statistics vary from, the El Paso jail has 18 percent foreign nationals; Hudspeth County, which is the size of Connecticut, vast area, has 90 percent according to Sheriff Arvin West; Culberson County, 22 percent according to Oscar Correo. The next four counties, they don't keep those records.

Moving on down to Bulverde Count, 93 percent; Kenny County, 71 percent are foreign nationals; Maverick County, 65 percent; Dimmitt County, 45 percent; Webb County, which is Laredo area, 45 percent; Zapata County, 65 percent; Starr, 53 percent; Hidalgo, 23 percent; and then the last county that touches the Gulf of Mexico, Cameron County, with 28 percent.

It seems to me, that is a lot of folks that are from foreign countries that are in American jails charged with crimes in the United States, and most of those, no question about it, are charged with some form of drug crime or carrying a weapon, according to the sheriffs themselves.

Here are my questions. Regarding, first, Mr. Placido, do you think the use of the Air National Guard should be increased or decreased? I rode with the Air National Guard up and down the Rio Grande river, working with the Border Patrol and capturing at least one drug interdiction coming across from the border. Do you think that is something that can work with you or not?

Mr. PLACIDO. Well, I think there are others at the table who are probably better qualified to talk about interdiction than I am. My focus is really investigations. But if the, if the genesis of your question as I understand it is, could we do better with additional support to interdict drugs and other contraband before it enters the country, I think the answer to that is, yes, sir, I think we could.

Mr. POE. Let me refer you to a Los Angeles Times article from last month that said, there is a turf battle going on with the different Federal agencies and that the effort to stop the drug cartels and the smugglers has stumbled in part because Homeland Security and various Justice Department agencies have overlapping responsibilities and are engaged in turf battles. The vast majority of ICE agents cannot make drug arrests, even though the same smug-

glers are often illegal immigrants. The reason, the DEA has not authorized the required cross-designation authority for them.

Is that correct.

Mr. PLACIDO. No, sir. No, sir, and let me begin by telling you that I think there is good news on the horizon. The Attorney General of the United States and the Secretary of Homeland Security have met on this very subject already, and I believe, I don't want to get out in front of my bosses, but I believe that a successful resolution is in the offing.

But let me clarify a couple of facts. First of all, every ICE agent can already make arrests or seize contraband drugs at the border. The issue is not making arrests or seizures; it is conducting investigations after that seizure is made and carrying it forward. There are currently 1,475 or approximately 25 percent of all of the ICE agents that are currently on the job are cross-designated to conduct those investigations anywhere in the country they go.

I think what you have heard most recently is a request that goes beyond that and is a request for concurrent unilateral authority to investigate drug crimes by ICE. And the issue here is not whether we can protect America better but how we coordinate the activity of these different agencies as we move forward, and I have got a very detailed response if you would like me to give it here.

Mr. POE. I am limited on time, but let me cut to the chase; do you think that ICE should have more responsibility in drug investigation? I want your opinion.

Mr. PLACIDO. I think if ICE works within the existing coordination mechanisms that all other Federal agencies use to coordinate drug investigations, we would welcome their assistance.

Mr. POE. All right.

Mr. Hoover, some questions for you at the ATF. I understand that the Mexican military, Mexican Federal police, the drug cartels, those are primary the folks that have guns. Regular citizens, they can't have guns like they do in the United States. And it seems to me Mexico has a responsibility to protect their border from guns coming in just like we have a responsibility from protecting criminals and drugs coming into the United States. A hundred thousand Mexican soldiers apparently have deserted with their weapons, weapons made in Belgium. What is the government of Mexico doing to protect their border against firearms coming in to their country? And I am out of time, so this is the last question.

Mr. HOOVER. All right, sir. I know that the Mexican government under Attorney General Medina-Mora has made great strides, especially in working with the ATF to trace the firearms that they recover. The vast majority of those traced are being used in Federal prosecutions and in Mexico, and they trace those weapons.

I will tell you that we don't know the entire universe of firearms that are recovered in Mexico. We continue to work with Mexican authorities to do that, to get that information, so that we can give better data back to them regarding the where these firearms are coming from.

I will say that the 90 percent figure came from those weapons that have been recovered and traced by the officials in Mexico. The vast majority of that has come through CENAPI, which is the intelligence branch under PGR, and that is where we get the vast ma-

majority of our information regarding the weapons recovered in Mexico.

Mr. POE. Thank you, Mr. Chairman.

Mr. SCOTT. Gentleman from Virginia, Mr. Goodlatte.

Mr. GOODLATTE. Mr. Chairman, thank you very much for holding this hearing.

And I want to thank all of our witnesses for their participation.

Mr. Nash, I wonder if you could comment on your thoughts on how we keep this violence from crossing our borders and how we prevent U.S. Law enforcement and citizens from becoming targets.

Mr. NASH. Yes, sir. I do think that the appropriate paradigm to view this through is the fact that these are not isolated incidents, that these are criminal organizations, a relatively limited number of criminal organizations, and they are reacting to the stress that is being placed upon them by the very heroic efforts of our Mexican partners south of the border.

We talk about the war on drugs, and to us, it is a metaphor. In Mexico, it is a reality, and they are experiencing casualties in connection with that war amongst their law enforcement, their very heroic law enforcement officers, every day.

Mr. GOODLATTE. Do we prevent it coming into our side of the border by helping them with their effort?

Mr. NASH. I think that is part of it, and I think that it has been spoken about by some of the other witnesses already today, that we have a historic opportunity to work with the Mexicans and help with the Mexicans because of the orientation of the current administration down there that has gotten serious about taking care of this problem.

Mr. GOODLATTE. Is most of the violence one drug cartel fighting one another or drug cartels fighting against law enforcement?

Mr. NASH. I think the majority is cartel on cartel or also within cartels. Drug debts that go unsatisfied within a cartel will often be a reason for violence as well.

I think, right now, the numbers are running at about 10 percent of the homicides south of the border are homicides in which a victim is a law enforcement representative of Mexico.

But I think there are things we can do on our side of the border. I think, as I said, our strategy is to put together task forces that bring the statutory authorities and the diverse expertise of all of the law enforcement agencies that you see represented here before you today in a concerted action to use our intelligence resources to identify where the real threats are, identify the leadership of those cartels, and then bring down the organizations in a concerted fashion like the operation.

Mr. GOODLATTE. Thank you.

I have a couple of other questions. I do appreciate that answer.

Mr. Nieto, the increase in CBP personnel between 2001 and 2008 should show a reduction of border violence, but instead, there is an increase. I wonder if you would explain that or comment on that.

Mr. NIETO. Well, sir, we expect that initially we will have an increase because we will have more officers and agents out there. Until we get to the point where we pretty much overtake that territory again, if you want to call it that, then that trend starts coming back down. So that is what we attribute it to.

Mr. GOODLATTE. And Ms. Ayala, from what ICE enforcement activities are agents being—where agents will be redeployed to the southwest border in order to combat the rising border violence? Where are they coming from?

Ms. AYALA. Yes. We deployed 95 additional agents to the southwest border area to backfill agents, and we increased our attaché personnel by 50 percent. We have increased our border liaison officers who are assigned to border offices and increased our intelligence commitment to the border by tripling it.

Mr. GOODLATTE. Where are those new agents coming from? Are they new agents, or are they being reassigned from other areas?

Ms. AYALA. Most of them are temporarily reassigned from other areas throughout the Nation, and therefore, a certain period of time. We are waiting to see what resource commitments permanently we will be making here in the future.

Mr. GOODLATTE. Obviously, we are concerned about what is going on on the border, but I happen to share the belief of many, including many of my constituents, that not enough is done by ICE to deal with immigration violations in the interior of the country and communities like the Shenandoah valley and the Roanoke Valley and central Virginia, that I represent, where there is a great deal of activity.

I am not sure we share the same percentages of people in the jails that Congressman Poe showed along the Texas-Mexico border, but I do believe you would find a very disproportionate percentage of the occupants of both State and Federal facilities in my area and the number of cases going through our U.S. District Court as well as our State court would show a disproportionate number of people who are not lawfully in the United States. So I want to express my concern that, while we divert people to address this problem, we are neglecting another problem, and I wonder if you would comment on what is being done to enhance your enforcement of the immigration laws in the interior of the country.

Ms. AYALA. Well, typically—this isn't the first time that we have redeployed assets to the southwest border to address issues like this. We did send, in 2005, in the same manner to address the increased violence in the Laredo area, and we were successful, along with our Mexican partners, in reducing the murder rate and border violence on both sides of the border. And we typically assess our needs during the year to decide if we need to plus up in certain areas based on upcoming large-scale law enforcement operations, and so forth.

As far as our commitment to smuggling issues or immigration, as far as our commitment to the southwest border, most focus on human smuggling and trafficking aspects and organizations, transnational organizations, that are violent there, specifically in the Phoenix area, and when we are looking to pull resources from anywhere within the United States, we make sure that we pull resources from offices that are large enough to sustain the loss. It is not like we are pulling one agent from a two-man office. And if we see a need to redeploy during that time period, then we do, again, reassess our needs and redeploy to those areas.

Mr. GOODLATTE. Thank you.

Thank you, Mr. Chairman.

Mr. SCOTT. Thank you.

I would like to inform the gentleman from Florida that I should have recognized you first. You had gotten here before my colleague from Virginia, so I apologize. I recognize you at this time.

Mr. ROONEY. Thank you, Mr. Chairman.

I am just glad the gentleman from Virginia didn't ask my question.

I believe this is for Mr. Nieto, but anybody on the panel, it is a basically straightforward question with regard to something you have all heard of, the Security Fence Act, and you know that is 800 miles of—required 800 miles of fencing across the border. And I am wondering just basically, obviously the fence is not complete. In your opinion, would the completion of the border fence as required by the act have an effect on the decrease in flow of drugs, and therefore possibly the decrease in violence as a result of that, if the fence was actually completed.

Mr. NIETO. Absolutely, sir, but the answer is not the fence by itself. It has to be that combination of fencing or what we consider tactical infrastructure, technology, and the right amount of personnel. If we were to fence the whole border and no one was out there to watch it and we wouldn't know what was happening on it, it would prove useless.

So with that amount of fence, which is what the field commander said that was the right amount, with that combination of, we call it the three-legged stool, with the technology and resources or personnel, yes, it would prove effective in affecting all types of traffic out there because we look at it in all threats, all hazards, as an address to it.

Mr. ROONEY. Thank you, Mr. Chairman.

Mr. SCOTT. Thank you.

Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman.

And I do appreciate the testimony.

I had longstanding commitments, but I was monitoring from C-SPAN. That is a good thing, too. It helps.

But as some are proposing more laws regarding U.S. Weapons to try to help Mexico, but as I understand it, most of the weapons that are purchased by Mexico, people in Mexico that come from the United States are already being purchased illegally. So, rather than add new laws, and this is open for anyone, what do you see that could be done to better enforce existing laws to stop illegal purchases, even without any new additional laws?

Mr. Nieto?

Mr. NIETO. Sir, not to answer the law question, but one of the things we have to do, especially with the Merida initiative, where we are providing money to Mexico and training, is to allow them or help them build the capacity in Mexico to inspect vehicles and people and cargo going into their country. I think that would, it is almost like teaching them how to fish instead of giving them the fish to eat. That, at their northern border, with the United States, at the same time a thorough assessment and the same type of training and capacity building on the southern border with Guatemala, I think that would really have a greater effect than any laws, any changing of any laws in the U.S., in Mexico, or elsewhere.

Mr. GOHMERT. Thank you.

Does anybody else have comment on that?

Ms. AYALA. I just want to say that, as far as our approach to the entire arms-smuggling effort, we look at it not just in a vacuum but all of its associated and ongoing crimes. So in stepping up our efforts related to narcotics smuggling, weapons smuggling, bulk-cash smuggling, and human smuggling trafficking, more and more we are seeing that many of these activities are directly related to weapons coming back and related to money also going back.

So by taking a comprehensive approach and utilizing existing task forces, such as The Border Enforcement Security Task Force, which is international, it is multi agency, and it is a task force that really brings to bear all of the Federal agencies that are here and State and locals, we are able to share more information and really target to disrupt and dismantle these organizations.

Mr. GOHMERT. Okay.

I have a particular issue that has come up with a constituent who was down fishing in southern Mexico just a few miles from Belize, and he disappeared. I don't know if you heard about Mr. Scheepstra's situation, but I met with his wife Sunday for a couple of hours. And she had been down there, and apparently, there is drug activity, from my trips, from visiting with people in Colombia previously about our drug work there with the British, with the Colombians, and Uribe is doing a fantastic job apparently. But it looks about two-thirds of the boats that bring cocaine, for example, up apparently come into Mexico and then go up through Mexico.

Anyway, Mr. Scheepstra was fly fishing, card there, wallet, passport, everything at the motel in the safe. He has disappeared. Mexico says all they can do is list him as missing. Some people went out and looked. They had some Mexican soldiers look, but you have an issue of corruption there. And that type of situation, we know there are other kidnappings, what can be done to work with the Mexican government to try to find someone like that? What allows us to go in and help?

And number two, since we know there is corruption and that is one of the most difficult issues Calderon is facing, how do you know who to trust with information we have?

Mr. PLACIDO. Well, first of all, I am very sorry to hear about Mr. Scheepstra and his problem down there, and perhaps we can get together after and do something to help you with this problem.

What I can tell you is that, while corruption is a problem in Mexico as it is in the United States or elsewhere, we have a number of what we believe to be honest, courageous counterparts in Mexico that we work with. There are a number of vetted units that have been trained and polygraphed and given the same kind of background investigation we would give to a DEA agent, for example, and the Minister of Public Security, Genaro Garca Luna, and the Attorney General, Eduardo Medina Mora, are both men of high quality, and I am sure that something can be done to try and further investigate it.

We need to know some more details, whether ransom was asked for.

Mr. GOHMERT. No, no ransom, but it also touches on what Mr. Nieto was pointing out as far as training. They decided, because he

was American, they would do a full forensic examination of his car. He never got back to it. They don't know if he was in there. And so the police got in the car and drove it 45 miles so they could check for fingerprints, you know, for DNA testing, whatever. But anyway, they could, apparently, either watch CSI, or maybe we could help them to know, you don't drive a car 45 miles with people in it before you do your testing. So did you have a comment?

Mr. NIETO. Sir, in relation to the corruption issues and the vetting, they are working. CISEN is working with our internal affairs to allow them to build that capacity as well where they can vet their officers, their operatives in Mexico to make sure that they keep them clean.

Mr. GOHMERT. Any other comments on that?

Well, let me just add and thank you, Mr. Chairman, again.

But it seems to me that Mexico could be one of the top 5 or 10 economic power houses in the world. When you look at the resources they have, and we know they have got some of the best workers in the world in that country. And it just seems that corruption is the thing that keeps them from being one of the greatest nations in the world. So I appreciate any efforts that can help bring that neighbor alongside of us effectively. Thank you.

Mr. SCOTT. Thank you gentlelady from Texas.

Ms. JACKSON LEE. Let me thank the Chairman and the Ranking Member for holding a vital hearing in the face of the calamity just a few hundreds of miles away from the fourth largest city in the Nation.

In speaking to my colleagues who live near or in another border State, Arizona, it is amazing to hear of the litany of kidnappings and missing persons. We have just heard my colleague speak of an American citizen missing. Over the years, before this intensity of drug and gun smuggling and dastardly deeds have occurred, a former colleague of mine, the now Secretary of Labor, Hilda Solis, was a huge force in the murder of women along the border, particularly on the Mexican side. And many, I just say, just frankly, almost all have been, if you will, not resolved.

This calamity is not in any way a reflection on the friendship that we have with the people of Mexico. In fact, it should be stated on the record that the numbers of law enforcement and leadership in Mexico, sheriffs and others who have lost their lives, is to be recognized and to acknowledge the deep sympathy that we have for the families of those who have lost their lives actually in this battle, in this war.

So I lay that ground work and would like to just offer into the record some data that I have that may have already been noted. In 2008, the violence between Mexican drug gangs fighting for trafficking routes to the United States killed approximately 6,000 people in Mexico, including one more than 500 police officers and soldiers. In the first 8 weeks of 2009, more than 1,000 people were killed as a result of the drug war.

I am certainly grateful to the Administration for the appointment of the drug czar or the border czar and the dispatch of the numbers of individuals that have gone to the border.

But I want to be honest, and I am I guess filled up to my cup or my cup runneth over with the conflict between the second

amendment, of which I have great respect for, because I do believe the people should have the right to protect themselves as the underlying premise of that legislation, and my good friends who believe that there should be nothing in this world regulated having to do with guns.

I don't know, frankly, how many officers will have to be killed, how many Mexican law enforcement will have to be killed, and how many movies will have to be made showing that the guns come from the United States. Much of it comes from Houston. I am aware, as a Member of this Committee and also a Member of the Committee that lives in Houston of the surge of officers coming in to assist us. Let me first of all indicate to both, I believe, Mr. Placido and Mr. Hoover that I would like to meet with your leadership in Houston, and if you would make note of that and be in touch with my office, I would like to do that as quickly as possible.

But I would like to refer you to H.R. 1900, because until we wake up about the gun smuggling, we know that two of our colleagues have offered legislation in the last 24 hours to close the gun show loophole. But I want to specifically focus on the intertwining of guns and drugs and how that is a problem coming from this direction and refer you to my legislation, H.R. 1900, which is I think a simple premise. It allows Governors to declare emergencies and seek, from both the Department of Homeland Security and the DOJ, an emergency increase in Border Patrol agents, an emergency increase in DEA agents, an emergency increase in ATF agents.

My colleague, Mr. Poe, has joined me on this.

It also goes to the increase in equipment. I am not sure if the czar is working on the increase in helicopters, power boats, other Border Patrol assets, motor vehicles, which can be used by overlapping jurisdictions, and handheld computers and radio communications, GPSs, et cetera, night vision equipment, because believe it or not, even today I don't think we have enough, and certainly if our ATF officers and DEA officers are on the border, they need some equipment as well.

This legislation also funds a task force of ATF, DEA, and Border Patrol, whose members would be appointed by the Administration, and you would meet every 2 months, and you would have a report, so that we could show that we meant business, and you would collaborate with the local law enforcement.

If the Chairman would indulge me, I would like to be able to have my questions answered by Mr. Placido and Mr. Hoover to speak to the interlink of guns of all kinds, AK-47s, that are loosely smuggled through Houston, how much of a role do they play in where are today? And I realize that there has been some good news in your testimony. I apologize, I had several meetings that were detaining me from that, but I am aware of your testimony. But I want to know where we are in terms of that basic cause of what the crisis at the border is at this time.

Mr. Placido.

Mr. PLACIDO. Thank you, ma'am.

First of all, Ms. Jackson Lee, we would be delighted to meet with you and your staff regarding this legislation and regarding the broader problem, be glad to that arrange that after this meeting.

The thrust of my oral statement as I began this hearing was to dispel what we believe is an unfortunate mischaracterization of the problem. Unfortunately, the violence that we are seeing, the problems emanating from Mexico, really don't, cannot be geographically bounded and described as a border problem. Unfortunately, the criminal organizations that should be our focus have impact well beyond our borders, in cities like Atlanta and Lawrence, Massachusetts, and really throughout the country.

Ms. JACKSON LEE. Making it a much larger problem.

Mr. PLACIDO. It is a much larger problem, and while I certainly appreciate the fact that border Governors and people who are on the front lines of the border with Mexico need resources, I will speak only for the Drug Enforcement Administration, the immediate deployment of 500 DEA special agents would detract from other things that we are doing, and I don't believe that that geographic kind of deployment would be the best way for us to negatively impact those organizations. We believe that a focused attack on the criminal organizations themselves rather than one that is geographically based is likely to have the best impact, and I would be glad to take that up with you in more detail at a different time, ma'am.

Ms. JACKSON LEE. Well, obviously, many of us disagree with that, and certainly it is not an automatic. It is a declaration that would be made, and I did ask you to comment on the interaction with the drugs and guns, and you did not comment on that.

Mr. PLACIDO. Certainly, drugs and guns go together. Guns are tools of the trade. It is historic, for the 30 years that I have been operating in this business, drug traffickers' use of weapons both to intimidate and to cause violence has been a problem. It certainly seems to be exacerbated and at a new fevered pitch, if you will, in our relationship with Mexico.

We characterize that violence in three broad categories analytically: Inter-cartel violence, with members in the same cartel doing battle with one another; intercartel violence with rival cartels doing war. Those have been around for a long time. What is new and disturbing and I believe what is causing much of the angst is the extent to which the cartels are now lashing out against the government itself, attacking the government of Mexico and attacking innocent civilians.

And one of the things that we are very careful of, we have got an interagency group looking at this, is, to what extent will that kind of violence be directed against U.S. Government personnel or interests or innocent civilians on U.S. Soil spill over our borders?

Ms. JACKSON LEE. When they engage in violence, they have guns, right?

Mr. PLACIDO. Yes, they do.

Ms. JACKSON LEE. Okay. So your basic sentence on the question of the impact of guns that kill.

Mr. PLACIDO. Absolutely, ma'am.

Ms. JACKSON LEE. All right and many of these guns are smuggled guns illegally secured from the United States.

Mr. PLACIDO. That is my understanding, but I will defer to my colleagues from ATF and ICE to describe that. They have got the portfolio better under control I believe.

Ms. JACKSON LEE. Mr. Hoover.

Mr. HOOVER. Yes, ma'am the reason we plussed up our resources in the Houston Field Division, which covers Houston and south Texas, was because of the trace information that we had regarding the number of firearms recovered in Mexico and traced and then those that were purchased in the Houston area and in south Texas. They lead any other part of the country by two or three times the amount of firearms being purchased.

You know, the——

Ms. JACKSON LEE. Two or three times.

Mr. HOOVER. Yes, ma'am.

What is happening in Mexico is the, you know, with the violence, as has been stated by others, is a couple of things. They are either using the firearms to protect their shipments. They are using their firearms to protect their routes where they are moving the drugs from Mexico into the U.S.

Drug cartels are coming in and trading drugs for firearms, or we have individuals in the United States capitalizing on the need for firearms by the Mexican cartels by purchasing those firearms illegally and then taking them to Mexico and selling them. So those are the ways that we see the firearms involved in the narcotics trafficking trade.

Ms. JACKSON LEE. These are illegal firearms, or are they purchasing them legally or illegally?

Mr. HOOVER. In some cases, they are purchased legally and then moved into the illegal market. In some cases, they are illegal from the jump because individuals are purchasing them illegally, knowingly purchasing them for the drug cartels or for someone else who they know will then traffic those guns to Mexico.

Ms. JACKSON LEE. And are you meeting and collaborating with local law enforcement, like the sheriff's department and Houston Police Department and others?

Mr. HOOVER. Yes, ma'am, our folks in Houston, Texas, are collaborating with individuals from all over Houston and south Texas. We collaborate with all the folks you see sitting at this table. We have an OCDETF strike force in Texas. We have one group assigned to that strike force to ensure we get on top of this problem.

Ms. JACKSON LEE. I thank you, Mr. Chairman.

I will look forward to heating with Mr. Hoover and Placido, but specifically in Houston, I want to meet with the team in Houston. Thank you.

Mr. SCOTT. Thank you. Gentlady's time has expired.

Gentleman from Texas had an additional question.

Mr. GOHMERT. Thank you, Mr. Chairman.

Just one. I alluded to the Chicago Tribune article about the Sinaloa cartel and apparently Guzman or, supposedly, according to the story that they are now authorizing or encouraging the use of violence to protect drug loads within the United States. I mentioned that, but I am curious, does anybody know, is this true what is being reported that now we can expect more violence from inside of our borders? Does anybody know?

Mr. PLACIDO. I can personally address the answer for you, Mr. Gohmert.

The fact is that we have hard empirical evidence indicating that the traffickers consistently have said they do not want to engage in violence on the United States—on U.S. Soil. There are repeated instances of that that we could provide, in a different setting, to document that for you.

The problem is, we never know what we don't know, and I am not going to sit here and tell you or anybody else that there hasn't been a decision made or that there won't be a decision made to attack U.S. Law enforcement. What we can say is, after extensive analytic research by 14 agencies of the U.S. Government, we have not yet seen an effort to systematically attack U.S. Government employees or interests or innocent civilians on U.S. Soil at a rate that is above what we had normally seen prior to this outbreak of violence in Mexico.

Mr. GOHMERT. Well, and that is why this story said that that such a move by Guzman, Mexico's most wanted fugitive, would mark a turn from the cartel's previous position of largely avoiding violent confrontation. So the empirical data may be that they have up to this, but the story today is that Guzman is now saying, and they report, that police and Federal agents—I just didn't know if it was some of yours or you—said they had recently received at least two law enforcement alerts focused on Guzman's reported orders that his smugglers should, quote, use their weapons to defend their loads at all costs, unquote. And so that would have been recent, reported today, brand new, and this would be a turn from all the empirical data we have had up to this point. I just didn't know.

Mr. PLACIDO. I do not have information on that at this point.

Mr. GOHMERT. Anybody else?

Mr. NASH. I would back Mr. Placido's comments and just suggest that our collective experience until now is that there has been a very firm conviction on the part of the cartel leaders that engaging in violence of the nature that is mentioned in that article would be bad for business for the cartels, and for that reason alone, they have decided that that is not a road that they want to go down.

I agree completely with your characterization that if, in fact, this statement is something the cartels decide that they are going to go forward with, it would be a turn from past practice and something that we certainly—

Mr. GOHMERT. Hasn't the price of cocaine gone up? For less cocaine—

Mr. NASH. It has, and I think the sentiment that might have motivated Mr. Guzman's comments certainly is an accurate one and one that—

Mr. GOHMERT. It would mean you all are doing a good job, being effective, and so if this were true, it would actually be a, wow, you are doing a good job. You are hurting them. So anyway, thank you for all your work. I know it is a profession that requires great dedication, so we appreciate yours.

Mr. SCOTT. Thank you.

This has been an oversight hearing, and one of the things we usually expect at an oversight hearing is witnesses to tell us what we should be doing more, more resources, change laws or what not, and it gives witnesses an opportunity to recommend legislative changes. Best I can ascertain, no one availed themselves of that op-

portunity. You didn't say we needed new gun laws. You didn't say you needed a whole lot more money. If I got you wrong, does anybody want to take one more shot?

Mr. NASH. One that I will raise, Mr. Scott, which is, we have talked a good bit about drugs. We have talked a good bit about guns. The third leg to that stool that we haven't talked quite a bit as much on is we do feel very strongly that cutting off the money flow to these organizations is an essential part of our strategy. There were two Supreme Court decisions at the end of the term last summer that significantly affected our ability to bring successful prosecutions against those involved in bulk-cash smuggling in connection with the drug trade.

One of the those decisions was the Santos decision. I understand that, within the last 30 minutes prior to the convocation of this hearing, the Santos fix was passed in connection with your efforts, Mr. Scott, and those of yours, Mr. Gohmert, and this Committee, and we appreciate that.

The second decision is the Cuellar decision, and there is proposed legislation that would return the interpretation of that statute to the interpretation that was generally accepted prior to the decision of the court in Cuellar, and so we would ask that you take a look at what we have termed the Cuellar fix. We have proposed legislation, and we would ask that you take a look at that, which would increase our ability to bring successful money-laundering charges against those who engage in bulk-cash smuggling across the southwest border.

Mr. SCOTT. I think the second case you mentioned had a problem because it didn't require an intent as part of, as an element of the crime, which is obviously problematic.

The Santos case, I think we fixed that while you were waiting for us to come back. It was one of the bills on the floor.

Ms. JACKSON LEE. Mr. Chairman, you had an inquiry, I would just wish to comment. These are very, very fine public servants, and I do appreciate their leadership.

I think, short of doing no harm on the United States Congress, we have an obligation, Mr. Chairman, to fix things where necessary. We certainly don't want to make things worse.

Not putting words in Mr. Hoover's mouth, he has indicated that, out of our community, two or three times—two or three times the sale of weapons; we are in essence the epicenter of these weapons going into Mexico. Frankly, I believe that if they have not offered legislative suggestions, and I am willing certainly to modify my legislation, but one, I think it needs to be targeted. Two, I think there needs to be immediate response in terms of gun legislation that addresses the question of smuggling and the loopholes. And there is some legislation being put forward. And I can't I can't imagine—there are many witnesses who came here in years past and said, we don't need anymore Border Patrol agents, and it was incorrect.

So I appreciate the fiscal responsibility and the discretion of the witnesses, but frankly, I believe it is the responsibility of the Congress to address glaring issues, and I do think more DEA agents, whether they are shared with Atlanta or elsewhere, are needed. I think more ATF officers are needed. And one of the issues is being able to make the case, being able to have the necessary

U.S. Attorneys and assistant U.S. Attorneys in these high-target areas that can make the case.

So I thank the Chairman for yielding, and I would like to pursue the legislation that I have written with corrections or modifications, and I think that we have an obligation because of what is going on, on the border and in Atlanta and Chicago and New York, on these drugs and guns to really act and give more tools to these very fine public servants.

I yield back to the Chairman.

Mr. SCOTT. I thank the gentlelady for her comments.

If the witnesses have any other comments, the hearing record will remain open for 1 week for submission of additional materials.

Members may have written questions which we will forward to you and ask you to respond as quickly as possible so that the answers can be made a part of the record.

Mr. Nieto.

Mr. NIETO. Sir, if I can make one last comment.

We spoke of border violence along our borders there, and I just want to make sure that I mention this. El Paso, Texas, which is just north of Ciudad Juarez, which has been the epicenter of the violence here the last few months, is the third safest large city in the United States. San Diego is the fourth, two cities right along the U.S.-Mexico border, and I think a big part of that is the organizations that my colleagues here at the table belong to and, obviously, the State and locals in those areas and their efforts.

I just wanted to thank them for the record.

Mr. SCOTT. Well, thank you. And if you have other recommendations that we can do to help you do your job, we appreciate hearing them.

And without objection, the Committee now stands adjourned.
[Whereupon, at 5:35 p.m., the Subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

5/5/2009

Los Angeles Times: Medellin cleans up...

Los Angeles Times



<http://www.latimes.com/news/nation/world/world/fg-medellin-comesback.26-2009mar26.0.2790515.story>
 From the Los Angeles Times

Medellin cleans up its act

The Colombian city's homicide rate is down 60%, fighters are being re-integrated into society and the sewer system -- which left the river district an open cesspool -- is being revamped.
 By Chris Kraul

March 26, 2009

Reporting from Medellin, Colombia — Once the shadowy and violent domain of drug kingpin Pablo Escobar, Medellin has undergone a renaissance over the last decade due to enlightened civic policy and public works, offering government officials proof that urban decline can be reversed.

Once one of the world's deadliest cities, Medellin's homicide rate has dropped by more than 90% since the mid-1990s. Former rebels and paramilitary fighters are being re-integrated into Colombia's second-largest city in an innovative program adopted by the nation's demobilization director.

The urban transit system has been upgraded to include a spectacular tramway that has cut commutes and become the city's icon.

And then there's the new sewage system, which has cleaned up the formerly malodorous Medellin River and 24 creeks and greatly improved the city's image -- and smell. The project has become a regional model for cleanup projects in densely populated areas.

The system, which includes educating residents and businesses near the river on how to prevent pollution, has converted the river district from an open cesspool to a zone where corporations such as Bancolombia and Carrefour have built major facilities.

The sewage system project is receiving \$580 million in loans from the Inter-American Development Bank, the Washington-based multinational development lender that is holding its annual meeting here this weekend in part to showcase what leaders believe is a success story.

In an e-mailed statement to The Times, IDB President Luis Alberto Moreno said the project shows that "investing in sanitation can have huge payoffs that go far beyond public health."

Despite the global financial crisis, the annual meeting is expected to draw 6,500 delegates from around the world, 40% more than last year's meeting in Miami. Main attractions include a series of presentations by China, which joined the IDB last year as part of its strengthened ties with Latin America.

China is expected to unveil two multimillion-dollar development funds to provide loans for infrastructure and "increase the flow of credit amid the global financial crisis," according to a preliminary draft of the announcement. China already has invested \$4 billion in such a fund in Venezuela.

Another lure for many of the delegates is the host city's makeover, one so dramatic that its principal architect, former Mayor Sergio Fajardo, is a contender in the 2010 presidential race. Offering education and training in violent neighborhoods was crucial to his goal of offering youths an alternative to drugs and violence, he said Wednesday.

"Whenever we reduced violence in an area, we immediately came up with projects -- libraries, cultural health and entrepreneurship centers -- in the poorest areas so the community could see the society was providing opportunities," Fajardo said in an interview.

The bank, which observes its 50th anniversary this year, operates with capital from 48 member countries, including the United States. Its mission includes offering low-cost loans to finance public works and infrastructure to spur economic development and reduce poverty. Last year, the bank authorized \$11 billion in new loans.

latimes.com/.../la-fg-medellin-comesba...

1/2

5/5/2009 Los Angeles Times: Medellin cleans up...
billion in new loans.

Some nongovernmental organizations critical of the IDB say the bank has failed to live up to its mission and should be denied the capital replenishment in the billions of dollars that the IDB is expected to request this year from the United States and other members.

Vince McElhinny of the Bank Information Center, a Washington-based watchdog group that monitors multinational lenders, says that the IDB has financed roads and dams in Latin America that have harmed the environment, and that it has backed privatization of water systems that have reduced access for poor families in some countries.

"The bank lost \$1.9 billion last year investing in securities it shouldn't have," McElhinny said. "On a pure accountability level you have to ask, what happened?"

The bank has responded to such criticism by noting that Standard & Poor's continues to rate IDB debt as highly secure.

chris.kraut@latimes.com

If you want other stories on this topic, search the Archives at latimes.com/archives.

TMSReprints

Article licensing and reprint options

Copyright 2009 Los Angeles Times | [Privacy Policy](#) | [Terms of Service](#)
[Home Delivery](#) | [Advertise](#) | [Archives](#) | [Contact](#) | [Site Map](#) | [Help](#)

partners: 

5/5/2009

Mexican drug violence spills over into ...

Tucson Citizen

Border & immigration

Mexican drug violence spills over into the U.S.

ALICIA A. CALDWELL

Published: 02.09.2009

Just as government officials had feared, the drug violence raging in Mexico is spilling over into the United States.

U.S. authorities are reporting a spike in killings, kidnappings and home invasions connected to Mexico's murderous cartels. And to some policymakers' surprise, much of the violence is happening not in towns along the border, where it was assumed the bloodshed would spread, but a considerable distance away, in places such as Phoenix and Atlanta.

Investigators fear the violence could erupt elsewhere around the country because the Mexican cartels are believed to have set up drug-dealing operations all over the U.S., in such far-flung places as Anchorage, Alaska; Boston; and Sioux Falls, S.D.

"The violence follows the drugs," said David Cuthbertson, agent in charge of the FBI's office in the border city of El Paso, Texas.

The violence takes many forms: Drug customers who owe money are kidnapped until they pay up. Cartel employees who don't deliver the goods or turn over the profits are disciplined through beatings, kidnappings or worse. And drug smugglers kidnap illegal immigrants in clashes with human smugglers over the use of secret routes from Mexico.

So far, the violence is nowhere near as grisly as the mayhem in Mexico, which has witnessed beheadings, assassinations of police officers and soldiers, and mass killings in

5/5/2009

Mexican drug violence spills over into ...

which the bodies were arranged to send a message. But law enforcement officials worry the violence on this side could escalate.

"They are capable of doing about anything," said Rusty Payne, a Drug Enforcement Administration spokesman in Washington. "When you are willing to chop heads off, put them in an ice chest and drop them off at a police precinct, or roll a head into a disco, put beheadings on YouTube as a warning," very little is off limits.

In an apartment near Birmingham, Ala., police found five men with their throats slit in August. They had apparently been tortured with electric shocks before being killed in a murder-for-hire orchestrated by a Mexican drug organization over a drug debt of about \$400,000.

In Phoenix, 150 miles north of the Mexican border, police have reported a sharp increase in kidnappings and home invasions, with about 350 each year for the last two years, and say the majority were committed at the behest of the Mexican drug gangs.

In June, heavily armed men stormed a Phoenix house and fired randomly, killing one person. Police believe it was the work of Mexican drug organizations.

Authorities in Atlanta are also seeing an increase in drug-related kidnappings tied to Mexican cartels. Estimates of how many such crimes are being committed are hard to come by because many victims are connected to the cartels and unwilling to go to the police, said Rodney G. Benson, DEA agent in charge in Atlanta.

Agents said they have rarely seen such brutality in the U.S. since the "Miami Vice" years of the 1980s, when Colombian cartels had the corner on the cocaine market in Florida.

Last summer, Atlanta-area police found a Dominican man who had been beaten, bound, gagged and chained to a wall in a quiet, middle-class neighborhood in Lilburn, Ga. The 31-year-old Rhode Island resident owed \$300,000 to Mexico's Gulf Cartel, Benson said. The Gulf Cartel, based in Matamoros just south of the Texas border, is one of the most ruthless of the Mexican organizations that deal drugs such as cocaine, marijuana, methamphetamine and heroin.

"He was shackled to a wall and one suspect had an AK-47. The guy was in bad shape," Benson said. "I have no doubt in my mind if that ransom wasn't paid, he was going to be killed."

tucsoncitizen.com/altss/.../109702

2/4

5/4/2009

U.S. cracks down on border drug viole...



U.S. cracks down on border drug violence

Hundreds more agents, equipment enlisted to fight Mexican cartels

The Associated Press

updated 8:29 p.m. ET, Tues, March 24, 2009

WASHINGTON - Hundreds of federal agents, along with high-tech surveillance gear and drug-sniffing dogs, are headed to the Southwest to help Mexico fight drug cartels and keep violence from spilling across the U.S.-Mexico border, Obama administration officials said Tuesday.

The border security initiative, which expands on efforts begun during the Bush administration, is aimed at drug traffickers who have wreaked havoc in Mexico in recent years and are blamed for a spate of kidnappings and home invasions in some U.S. cities.

The plan was announced as Secretary of State Hillary Rodham Clinton prepares to travel Wednesday to Mexico for the start of several weeks of high-level meetings between the two countries on the drug violence issue. Homeland Security Secretary Janet Napolitano and Attorney General Eric Holder are expected to meet with Mexican officials in early April.

The Obama administration's multi-agency plan includes nearly 500 agents and support personnel. However, officials did not say where the additional agents would come from or how long they would stay at the border.

Napolitano said officials were still considering whether to deploy the National Guard to the Arizona and Texas borders with Mexico, which the governors had requested.

Concern from GOP

Deputy Attorney General David Ogden said the combined efforts of the U.S. and Mexican governments would "destroy these criminal organizations."

Rep. Lamar Smith, the senior Republican on the House Judiciary Committee, said he was happy to see the administration getting more aggressive with the cartels, but he worried about what would see less attention in the U.S.

"I am concerned that when you're taking almost 500 law enforcement agents from one place to another, wherever place they're leaving is going to be understaffed and will mean that some laws are not being enforced," said Smith, R-Texas.

Authorities said they will increase the number of immigrations and customs agents, drug agents and antigun trafficking agents operating along the border. The government also will allow federal funds to be used to pay for local law enforcement involved in southwestern border operations, and send more U.S. officials to work inside Mexico.

A fight in U.S., not just Mexico

Prosecutors say they will make a greater effort to go after those smuggling guns and drug profits from the U.S. into Mexico.

Napolitano acknowledged that the fight against the drug cartels is not just in Mexico but in the U.S. where the drugs are sold.

"This is a supply issue, and it's a demand issue," she said. To address the demand, she cited funding set aside for drug courts in the recent stimulus package. She said these drug courts "have been very effective in reducing recidivism among drug offenders."

The administration is also highlighting \$700 million that Congress has already approved to support Mexico's efforts to fight the cartels.

Officials said President Barack Obama is particularly concerned about killings in Ciudad Juarez and Tijuana, and that he wants to prevent such violence from spilling over into the United States.

5/4/2009

U.S. cracks down on border drug vio...

Among the moves the government is making:

- Sending about 350 additional personnel from the Homeland Security Department for a host of border-related work, including doubling the border enforcement security teams that combine local, state and federal officers.
- Adding 16 new Drug Enforcement Administration positions in the southwestern region. DEA currently has more than 1,000 agents working in the region.
- Sending 100 more people from the Bureau of Alcohol, Tobacco, Firearms and Explosives to the border in the next 45 days.
- Boosting the FBI's intelligence and analysis work on Mexican drug cartel crime.
- Increasing the inspection of rail cargo heading from the U.S. into Mexico and putting X-ray units in place to try to detect weapons being smuggled into Mexico.

Napolitano said her department has already seen success with stepped-up efforts.

"For example, the communities — the border towns themselves — some of them are actually reporting a decrease in violent crime," she said.

In Texas, border counties and cities have largely escaped the spillover of violence that has affected cities such as Phoenix and Atlanta.

In El Paso, for instance, police responded to fewer than 20 homicides in 2008, while their counterparts across the Rio Grande in Ciudad Juarez have handled more than 2,000 killings since January 2008. The situation is similar in Laredo, which shares a border with Nuevo Laredo, and McAllen, just across the Rio Grande from Reynosa.

The plans announced Tuesday fall short of Texas Gov. Rick Perry's request last month that 1,000 troops be sent to bolster border security in his state.

Perry said Tuesday that Washington has ignored the border for too long.

"We have been successful in spite of Washington's lack of focus on the border," said Perry, a Republican.

California Gov. Arnold Schwarzenegger, also a Republican, praised the government's plan as "a great first step."

Arizona's Republican governor, Jan Brewer, said the additional federal agents and technology will help, but National Guard troops are needed. In addition, the Obama administration should boost funding for local governments and tribal governments "to respond to the clearly increased threat of violence and kidnappings," Brewer said.

While Mexico wants the U.S. take more responsibility in the drug fight, officials south of the border have also bristled at the increasing "militarization" of the border.

Mexico officials are likely to welcome the stepped up efforts north of the border, but they have argued that much of the border security added recently has made illegal immigration more dangerous and done little to nothing to crack down on the illegal weapons trade.

Reuters and The Associated Press contributed to this report.

URL: <http://www.msnbc.msn.com/id/29859803/>

MSN Privacy . Legal
© 2009 MSNBC.com

Newsweek

The Enemy Within

Cartel-related violence has moved well beyond American border towns.

Eve Conant and Arian Campo-Flores
NEWSWEEK

From the magazine issue dated Mar 23, 2009

As Manuel exited the Radio Shack in Phoenix with his family one afternoon last month, a group of Hispanic men standing in the parking lot watched him closely. "Do it now, do it now," one said to another in Spanish, according to a witness. One of the men approached Manuel, pointed a revolver at his head and tried to force him into a Ford Expedition parked close by. "Please, I'll get into the car, just don't touch me," Manuel pleaded as he entered the vehicle, his wife told police. Nearby, she said, another man in a Chrysler sedan aimed a rifle or shotgun out the driver's side window. At some point, shots were fired, said witnesses, although apparently no one was hit. Then the vehicles tore off with a screech of tires.

Later that evening, the phone rang. When Manuel's wife picked up, a male voice said in Spanish, "Don't call the police," and then played a recording of Manuel saying, "Tell the kids I'm OK." The man said he'd call again, then hung up. Despite the warning, Manuel's wife contacted the cops. In subsequent calls, the kidnappers told her Manuel owed money for drugs, and they demanded \$1 million and his Cadillac Escalade as ransom.

When two men later retrieved the Escalade and drove off, the cops chased them and forced them off the road. Both men, illegal immigrants from Mexico, said they'd been paid by a man (who authorities believe has high-level drug connections) to drive the vehicle to Tucson. So far, police say, Manuel hasn't reappeared, and his family has been reluctant to cooperate further with law enforcement. "He's a drug dealer, and he lost a load," says Lt. Lauri Burgett of the Phoenix Police Department's recently created kidnapping squad. "He was probably brought to Mexico to answer for that."

Surprising as it may seem, Phoenix has become America's kidnapping capital. Last year 368 abductions were reported, compared with 117 in 2000. Police say the real number is likely much higher, since many go unreported. Though in the past most of the nabblings stemmed from domestic-violence incidents, now the majority are linked to drug-trafficking and human-smuggling operations that pervade the Arizona corridor. It's still unclear to what extent the snatchings are being directly ordered by Mexican cartels, but authorities say they're undoubtedly a byproduct of the drug-fueled mayhem south of the border. "The tactics are moving north," says assistant police chief Andy Anderson. "We don't have the violence they have in Mexico yet—the killing of police officers and the beheadings—but in terms of kidnappings and home invasions, it has come."

That raises an unnerving prospect: that the turmoil in Mexico—where drug violence claimed more than 6,000 lives last year—is finally seeping across the border. According to a December report by the Justice Department's National Drug Intelligence Center, Mexican drug-trafficking organizations have established a presence in 230 U.S. cities, including such remote places as

5/5/2009

The Enemy Within | Print Article | Ne...

Anchorage, Alaska, and Sheboygan, Wis. The issue is preoccupying American officials. "This is getting the highest level of attention," including the president's, says Homeland Security Secretary Janet Napolitano. She tells NEWSWEEK that the administration is dispatching additional Customs and Border Protection and Immigration and Customs Enforcement personnel to the border, and it's reviewing requests from the governors of Arizona and Texas for help from National Guard troops. Earlier this month, Adm. Mike Mullen, chairman of the Joint Chiefs of Staff, visited Mexico to discuss assistance and to share potentially relevant lessons that the United States has learned in Iraq and Afghanistan, says a senior Pentagon official familiar with details of the trip who wasn't authorized to speak on the record.

All the attention has stoked public debate on a particularly fraught question—whether Mexico is a failing state. A U.S. Joint Forces Command study released last November floated that scenario, grouping the country with Pakistan as a potential candidate for "sudden and rapid collapse." Such a comparison is excessive, says Eric Olson of the Woodrow Wilson Center's Mexico Institute in Washington, D.C., though the Mexican government confronts "real problems of sovereignty in certain areas" of the country. Administration officials are striving to tone down the rhetoric and focus on ways to help. Among the priorities, says Olson: to cut American demand for drugs, to provide additional training and equipment to law-enforcement and military personnel in Mexico, and to clamp down on drug cash—an estimated \$23 billion per year—and assault weapons flowing into the country from the United States.

As the violence continues to spiral in Mexico, reports of cartel-related activity are on the rise in American cities far removed from the border. Last August the bodies of five Mexican men were discovered bound, gagged and electrocuted in Birmingham, Ala., in what was believed to be a hit ordered by Mexican narco-traffickers. A few months later, 33 people with cartel ties were indicted in Greeneville, Tenn., for distributing 24,000 pounds of marijuana. In neighboring North Carolina, "there are cartel cells ... that are a direct extension from Mexico," says John Emerson, the Drug Enforcement Administration's special agent in charge in the state.

Law enforcement in Atlanta, where a maze of interstates provides distribution routes throughout the Southeast, has dubbed the city "the new Southwest border." "All those trends are coming here," says Fred Stephens of the Georgia Bureau of Investigations. "We are seeing alarming patterns, the same violence." He ticks off a spate of cartel-linked crimes in the state—assaults, abductions, executions. Last May authorities in Gwinnett County found a kidnap victim, along with 11 kilos of cocaine and \$7.65 million in shrink-wrapped bundles, in a house rented by an alleged Gulf cartel cell leader. A few months later, a suspected drug dealer in Lawrenceville was abducted by six men, dressed commando-style in black, and held for a \$2 million ransom (he escaped).

Nothing rivals the rash of kidnappings in Phoenix, however. As border enforcement has tightened the screws on the California and Texas crossings, Arizona has become a prime gateway for illicit trafficking—in both directions. "The drugs and people come north, the guns go south," says Elizabeth Kempshall, the DEA's special agent in charge of the Phoenix division. Arizona is mostly dominated by the Sinaloa cartel, which authorities say is trying to assert greater control over the U.S. drug trade. Yet analysts believe the organization has fractured—most notably last summer, when the Beltrán Leyva brothers reportedly split from leader Joaquín (El Chapo) Guzmán.

That internecine conflict, along with cartel encroachment north of the border, has created something of a free-for-all in Phoenix's criminal underworld. Among the groups that have stepped into the breach: roving Mexican gangsters called *bajadores*, or "take-down" crews, who are responsible for many of the city's kidnappings. Often operating in packs of five, they typically cross the border to commit crimes, then retreat south, say police. Some work as enforcers for the cartels, collecting payment from dealers who have stiffed the capos or lost their loads. Others function as freelancers, stealing shipments of drugs or illegal immigrants from traffickers. "We've seen an uptick in the bajadores since last summer," says Al Richard, a Phoenix police detective. "We are seeing a lot more professionals coming up here now."

5/5/2009

The Enemy Within | Print Article | Ne...

Bajadores are renowned for their ruthlessness. Kidnap victims have been found bound and gagged, their fingers smashed and their foreheads spattered with blood from pistol-whippings. When the crews abduct illegal immigrants—hoping to extort more money from relatives—"they will sometimes kill someone off immediately to scare the others," says Richard. "There was a case last year where they duct-taped the mouth and nose of one individual and had the others watch while he asphyxiated and defecated on himself." Some bajadores have branched out to home invasions. In one incident last June, a gang broke into a home, outfitted in Phoenix police gear and Kevlar vests—a hallmark of criminal enterprises across the border.

To combat the problem, police in Phoenix created the kidnapping squad—known officially as Home Invasion Kidnapping Enforcement—last September. Led by Lieutenant Burgett, the team of 10 lead investigators has already busted 31 crime cells and made more than 220 arrests. But "it never stops," she says. "It's like a Texas ant hill." One of the squad's main objectives: to keep the abductions confined to the criminal world. "Most of the time, our victims are as bad as our suspects," says Sgt. Phil Roberts. "We give them five to 10 minutes to hug their wife, and then they are off to jail themselves." If average citizens begin to get ensnared, the result could be widespread panic. "We don't want what happens in Mexico to happen here, where they are kidnapping bank presidents," he says. "We don't want the president of Wells Fargo to need a bodyguard."

Last Tuesday afternoon, the squad was working a case involving a suspected marijuana middleman. As police later learned, a few days earlier, he'd allegedly brokered a deal between a group of sellers and two buyers for 150 pounds of pot. But when the parties gathered at a suburban house, the two buyers held up the others and made off with \$40,000 worth of dope and cash. The man tried to escape, but a woman at the house pulled a gun on him. "You're not leaving," she said, according to the middleman's subsequent account to police. "You set up this deal." The stolen goods were now his debt. Eventually released, he scrambled to cobble together \$40,000 worth of possessions—three vehicles, 10 pounds of pot, some cash—while a man who called himself "Chuco" rang him every hour. But it wasn't enough. On Tuesday morning, Chuco arrived at the man's house. "I've got to go," the man told his girlfriend, according to her statements to police. "If I don't pay, they're going to hurt me." His abductors, he said, worked for El Chapo (an unconfirmed allegation).

Later that day, the man's girlfriend arrived at the police station. Sleepless and frantic, she fielded repeated calls from her boyfriend, who pleaded for her to raise additional cash. The cops urged her to remain calm. "I know you are stressed, but you need to keep talking," said one of the detectives. "You are the only one who can do the negotiating." She had already called some family members and asked them to draw money from an equity line. But it wasn't arriving quickly enough. "I don't have it yet, baby," she told her boyfriend on a subsequent call, as he grew more distressed. "I'm doing everything I can."

Unbeknownst to the woman, the kidnapping squad had received information on her boyfriend's possible location. As cops approached the suspected house a little after midnight, an SUV suddenly sped away. Police pursued it and pulled it over. "Tell us where he is!" a detective told the passengers. Just then, a Chevy Impala took off from the house. Another chase ensued, and eventually the driver was forced to stop. Inside were four passengers, with the middleman in the rear, flanked by two men armed with weapons. Back at the station, detectives questioned the parties; as of late last week, charges were likely against four abductors, but not the victim, due to a lack of evidence in the suspected marijuana deal. But now he's on the cops' radar, says Burgett. "We do proactive follow-up on victims as well."

Though much of Phoenix's kidnapping epidemic stems from alleged drug deals gone awry, plenty are linked to the human-smuggling trade. That work used to be dominated by small "mom and pop" outfits, but in time, the cartels have muscled in on it. Any group that wants to use their trafficking routes has to pay up—about \$2,000 per week for Mexicans and \$10,000 per week for "exotics," like Chinese and Middle Easterners, says Richard, the Phoenix detective. That added business cost has encouraged some smugglers to try to extort more money from their human loads—known as *pollos*, or "chickens"—once they've crossed the border. More and

5/5/2009

The Enemy Within | Print Article | Ne...

more, polos may change hands several times among *dueños*, or "owners"—a new, more violent breed of smugglers. The drop houses used to stash immigrants are also becoming more barbaric.

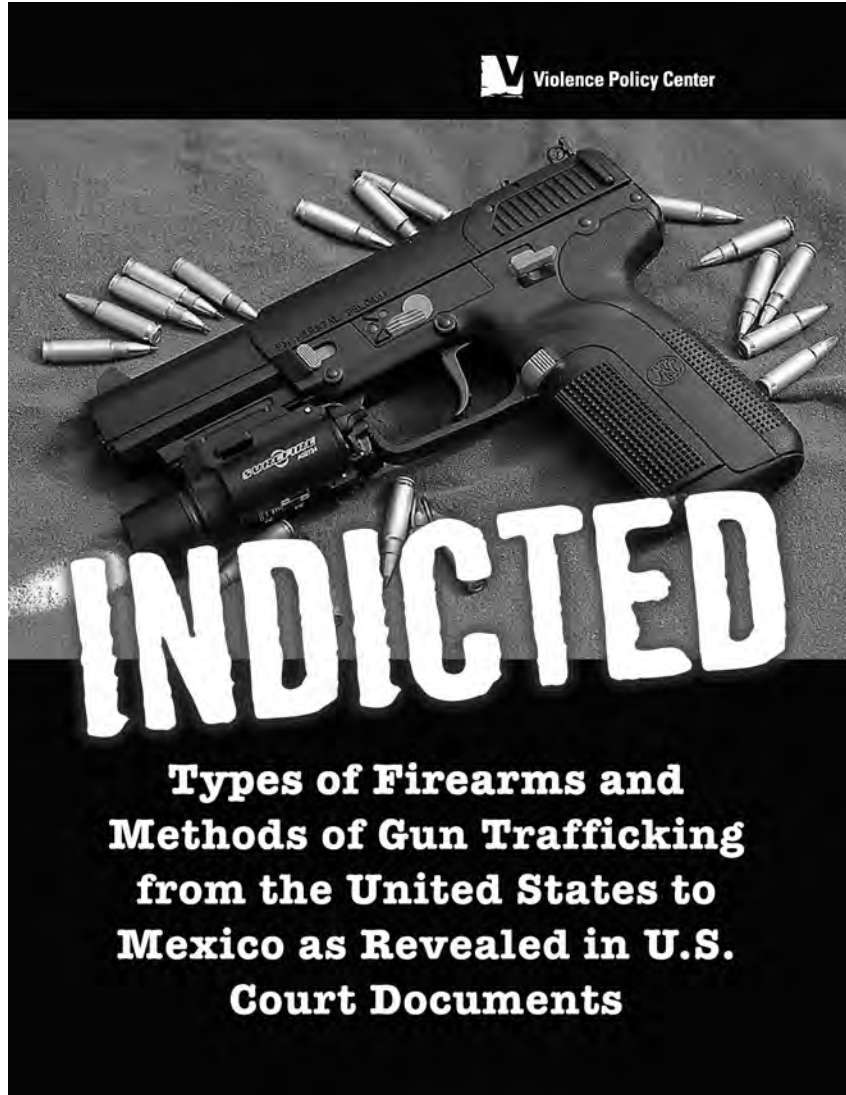
One recent night, the Human Smuggling Unit of the Maricopa County sheriff's office received a tip on a drop house in a middle-class neighborhood in Phoenix. Relatives of an immigrant being held there had received an extortion call demanding \$3,500. Joined by a SWAT team, the unit made its move, breaching windows and doors, which were boarded up (a typical precaution taken by smugglers). A half dozen men tried to escape but were grabbed, says Lt. Joe Sousa, the unit commander. Inside were several dozen illegal immigrants, all shoeless and famished. Authorities confiscated two pistols, a sawed-off shotgun and a Taser-like device—"used against people when they're put on the phone, begging their relatives for cash," says Sousa. It was a good bust, he says, but "within a week or two, that same organization will be back up and running." Sousa moved to Phoenix because he thought it was a nice place to raise a family. But the violence is out of control, he says. "Soon as I retire, I'm out of here."

Many area residents who have had encounters with the smuggling world share the sentiment. At a takedown of a suspected drop house a few days earlier in nearby Avondale, a neighbor became inconsolable describing the terror he experienced living next door to what locals fear is a home to ruthless criminals. "It's been hell," said the man, who refused to be named because he was scared. "I have five kids. I've been sleeping with two machine guns under my bed for two years." He's planning to foreclose on his property and flee with his family as soon as possible. Despite the bust, the smugglers "will be back," he said. "Right now, they are headed to the border, they'll chill out for a month, and they'll be back." As overwrought as he may have been, he was probably right.

With Catharine Skipp, John Barry and Dan Ephron

URL: <http://www.newsweek.com/id/189246>

© 2009



INDICTED

Types of Firearms and Methods of Gun Trafficking from the United States to Mexico as Revealed in U.S. Court Documents

April 2009

The Violence Policy Center (VPC) is a national non-profit educational organization that conducts research and public education on violence in America and provides information and analysis to policymakers, journalists, advocates, and the general public. This report was authored by VPC Legislative Director Kristen Rand and was funded in part with the support of The Herb Block Foundation, the David Bohnett Foundation, and The Joyce Foundation. Past studies released by the VPC include:

- *Iron River: Gun Violence and Illegal Firearms Trafficking on the U.S.-Mexico Border* (April 2009)
- *Youth Gang Violence and Guns: Data Collection in California* (February 2009)
- *Black Homicide Victimization in the United States: An Analysis of 2006 Homicide Data* (January 2009)
- *"Big Boomers"—Rifle Power Designed Into Handguns* (December 2008)
- *When Men Murder Women: An Analysis of 2006 Homicide Data* (September 2008)
- *American Roulette: Murder-Suicide in the United States* (April 2008)
- *Black Homicide Victimization in the United States: An Analysis of 2005 Homicide Data* (January 2008)
- *An Analysis of the Decline in Gun Dealers: 1994 to 2007* (August 2007)
- *Drive-By America* (July 2007)
- *A Shrinking Minority: The Continuing Decline of Gun Ownership in America* (April 2007)
- *Black Homicide Victimization in the United States: An Analysis of 2004 Homicide Data* (January 2007)
- *Clear and Present Danger: National Security Experts Warn About the Danger of Unrestricted Sales of 50 Caliber Anti-Armor Sniper Rifles to Civilians* (July 2005)
- *The Threat Posed to Helicopters by 50 Caliber Anti-Armor Sniper Rifles* (August 2004)
- *United States of Assault Weapons: Gunmakers Evading the Federal Assault Weapons Ban* (July 2004)
- *Vest Buster: The .300 Smith & Wesson Magnum The Gun Industry's Latest Challenge to Law Enforcement Body Armor* (June 2004)
- *Really Big Guns: Even Bigger Lies* (March 2004)
- *Bullet Hoses: Semiautomatic Assault Weapons: What Are They? What's So Bad About Them?* (May 2003)
- *"Officer Down"—Assault Weapons and the War on Law Enforcement* (May 2003)
- *Firearms Production in America 2002 Edition: A Listing of Firearm Manufacturers in America with Production Histories Broken Out by Firearm Type and Caliber* (March 2003)
- *"Just Like Bird Hunting": The Threat to Civil Aviation from 50 Caliber Sniper Rifles* (January 2003)
- *Sitting Ducks: The Threat to the Chemical and Refinery Industry from 50 Caliber Sniper Rifles* (August 2002)
- *License to Kill IV: More Guns, More Crime* (June 2002)
- *The U.S. Gun Industry and Others Unknown: Evidence Debunking the Gun Industry's Claim that Osama bin Laden Got His 50 Caliber Sniper Rifles from the U.S. Afghan-Aid Program* (February 2002)
- *"A .22 for Christmas": How the Gun Industry Designs and Markets Firearms for Children and Youth* (December 2001)
- *Kids in the Line of Fire: Children, Handguns, and Homicide* (November 2001)
- *Unintended Consequences: Pro-Handgun Experts Prove That Handguns Are a Dangerous Choice for Self-Defense* (November 2001)
- *Voting from the Rooftops: How the Gun Industry Armed Osama bin Laden, Other Foreign and Domestic Terrorists, and Common Criminals with 50 Caliber Sniper Rifles* (October 2001)
- *Hispanics and Firearms Violence* (May 2001)
- *Where'd They Get Their Guns?—An Analysis of the Firearms Used in High-Profile Shootings, 1963 to 2001* (April 2001)
- *A Deadly Myth: Women, Handguns, and Self-Defense* (January 2001)
- *Handgun Licensing and Registration: What It Can and Cannot Do* (September 2000)
- *Pocket Rockets: The Gun Industry's Sale of Increased Killing Power* (July 2000)
- *Guns For Felons: How the NRA Works to Rearm Criminals* (March 2000)
- *One Shot, One Kill: Civilian Sales of Military Sniper Rifles* (May 1999)
- *Cease Fire: A Comprehensive Strategy to Reduce Firearms Violence* (Revised, October 1997)

Violence Policy Center, 1730 Rhode Island Avenue, NW, Suite 1014, Washington, DC 20036
 202-822-8200 phone, 202-822-8205 fax, www.vpc.org web
 © April 2009, Violence Policy Center

Table of Contents

Introduction	1
Section One:	
The War Next Door	1
“What do they need to fight that war? Guns. Where do they get them? From here.”	1
The Gun Lobby’s Campaign of Disinformation	2
Lack of Transparency Caused by the Tiahrt Amendment Aids and Abets the Gun Lobby’s Argument	4
Section Two:	
The Types of U.S. Military-Style Firearms Favored by Mexican Traffickers	5
Section Three:	
Methods Used by Traffickers to Obtain the Firearms	9
Section Four:	
Sample Document	13
Section Five:	
Examples of Models of Assault Rifles, Pistols, and 50 Caliber Sniper Rifles Cited in Documents	17
Section Six:	
Steps the U.S. Government Can Take to Address Gun Trafficking From the United States to Mexico	21
Endnotes	23

Introduction

Increasing public attention is focusing on the role of the U.S. civilian firearms market as a major source of guns supplied to the Mexican drug cartels responsible for the escalating violence on the U.S.-Mexico border. Aided by restrictions—endorsed by the National Rifle Association (NRA) and implemented by Congress—on the release of federal crime gun trace data and a longstanding lack of detailed information on gun commerce (both legal and illegal) in America, the gun lobby has mounted a concerted campaign of disinformation: claiming that Mexican drug lords are solely using true military weapons, not their civilian counterparts, and that such guns come from anywhere *but* the U.S. civilian firearms market.

This report, based on indictments and criminal information filed in U.S. district courts in the southwest United States, conclusively refutes the gun lobby's claims. The information contained in these government documents clearly demonstrates—by the make, model, caliber, manufacturer, and retail source of firearms seized in criminal trafficking cases—that the military-style semiautomatic firearms easily available on the U.S. civilian gun market are a significant component of the weapons being trafficked to, and utilized by, the Mexican cartels.

Section One: The War Next Door

“What do they need to fight that war? Guns. Where do they get them? From here.”

According to both United States and Mexican government officials, large numbers of military-style firearms from the U.S. civilian gun market are fueling criminal violence in Mexico. A series of Congressional hearings and public policy reports have made clear that the U.S. gun industry—manufacturers, importers, distributors, retailers, and so-called “gun shows”—plays an instrumental role in making readily available to illegal gun traffickers the types and numbers of weapons that facilitate drug lords' confrontations with the Mexican government and its people.¹

U.S. and Mexican officials report that, based on firearms tracing data from the federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), the cartels obtain 90 percent or more of their firearms from the United States.² Traces by ATF of firearms from Mexico have reportedly increased from 2,100 in 2006 to 3,300 in 2007 and 7,700 in 2008.³

Much of the armed violence is related to Mexico's struggle to defeat the Mexican drug trafficking organizations (DTOs), or cartels, that are the principal wholesale suppliers of illicit drugs to the United States. “There is a war going on on the border between two cartels,” William Newell, ATF Special Agent in Charge of the agency's Phoenix Field Division, was reported to have said in 2007. “What do they need to fight that war? Guns. Where do they get them? From here.”⁴

In July 2008 a journalist offered this description of Newell's workplace:

Near Newell's office is the “locker,” where confiscated guns are stored. The room is crammed with hundreds of Chinese and Eastern European AK-47s, American AR-15

rifles, shotguns, Tec-9 [sic] semiautomatic pistols, Colt .38s, Austrian Glock 9-millimeter handguns, and Fabrique Nationale 5-7 [sic] pistols; the latter are known as *mata policia*s, or cop killers, because they fire rounds that can pierce bulletproof vests. On the floor sits a Barrett .50 caliber rifle, preferred by American military snipers because it can pick off a foe a mile away.

Almost all of these guns were nabbed crossing the border, and almost all of them, even the deadliest, are available at gun stores, sporting-goods stores, Wal-Marts, hundreds of gun shows, and tens of thousands of virtually unregulated private dealers across the U.S. "My first weekend on the job here, I recovered 30 AKs," one of Newell's agents, previously a detective in the Bronx, tells me. "I thought I'd seen everything, but what I see here blows my mind." Adds Newell: "A lot of people think, 'Well, this is Mexico's problem.' It's obviously not."⁵

If a war is being fought in Mexico, the arms borne by the criminal groups waging it are the military-style weapons that have come to define the U.S. civilian gun market. William J. Hoover, Assistant Director of ATF's Office of Field Operations, testified in February 2008 that military-style firearms—both imported and domestic—are the drug cartels' weapons of choice:

Mexican drug trafficking organizations have aggressively turned to the U.S. as a source of firearms. These weapons are used against other DTOs, the Mexican military, Mexican and United States law enforcement officials, as well as innocent civilians on both sides of the border. Our comprehensive analysis of firearms trace data over the past three years shows that Texas, Arizona, and California are the three primary source states respectively for United States sourced firearms illegally trafficked into Mexico. Recently, the weapons sought by drug trafficking organizations have become increasingly higher quality and more powerful. These include the Barrett 50-caliber rifle, the Colt AR-15 .223-caliber assault rifle, the AK-47 7.62-caliber assault rifle and its variants, and the FN 5.57-caliber [sic] pistols, better known in Mexico as the cop killer.⁶

The Gun Lobby's Campaign of Disinformation

As increasing attention has focused on this problem, the National Rifle Association and other pro-gun voices have found themselves in the uncomfortable position of having to defend unregulated civilian access to military-style firearms—including semiautomatic assault rifles, 50 caliber sniper rifles, and cop-killing, body armor-defeating handguns—being used to kill Mexican officials and law enforcement officers.⁹ In order to combat what it views as both a public relations nightmare and a potential policy threat, the gun lobby has mounted an aggressive

⁵ This is in addition to attacks on law enforcement personnel in the United States. For example, on April 4, 2009, four Pittsburgh, Pennsylvania police officers were shot with an AK-47 assault rifle after responding to a domestic disturbance call. Three later died from their wounds. "3 officers slain responding to call, Pittsburgh police chief says," *CNN.com*, Saturday, April 4, 2009, <http://www.cnn.com/2009/CRIME/04/04/pittsburgh.officers.shot/index.html>.

disinformation campaign.^b It has sought to divert attention from the role played by U.S.-supplied weapons, defending the gun industry by means of artfully contrived rhetoric advancing misleading lines of argument. Principal among the gun lobby's themes are:

- o The Mexican drug cartels use full-auto military armament, not semiautomatic military-style civilian weapons available on the U.S. domestic market.
- o ATF trace data represents only a limited part of the total universe of guns used in crime in Mexico and should therefore be discounted.

A recent "commentary" posted on *CNN.com* by NRA Executive Vice President Wayne LaPierre is a representative example of the gun lobby's rhetoric in defense of the U.S. gun industry and our nation's lax gun laws.

LaPierre erects his straw man with the emotionally charged statement that "gun abolitionists claim Mexican gun laws are so strict that our 'weak laws' (read: freedoms) are to blame for 'fueling the violence' in Mexico."

He then proceeds to attack his straw man with a series of unverifiable statements that define the term "argument by assertion." LaPierre's goal is to draw an opaque curtain across the facts as stated by both U.S. and Mexican government officials in both hearings and reports. "Well, to believe that..." he writes:

You have to believe that Mexico's drug cartels, which possess the wealth and armies of nations, prefer American semiauto target and hunting rifles over fully automatic machine guns and any other military arms they want to crush opposition.

You have to believe Mexican drug lords—who make *Forbes* magazine's list of billionaires—don't get large lots of weaponry on the transnational black market but instead choose to trifle with paperwork at U.S. gun stores...?

A similar argument was advanced in a blog posting offering the following statement from a reported interview with a former U.S. Border Patrol Supervisor, David J. Stoddard:

There are no gun shops in the United States where you can buy an AK-47 with a selector switch. You cannot buy hand grenades, fully automatic weapons, high explosives or Rocket Propelled Grenades. The Mexican Cartels are using all of those. The cartels are getting those weapons from corrupt members of the Mexican Government which has obtained them from the USA, and from other sources in Central and South America. It is a huge lie that 90% of the cartel weapons are supplied by straw purchasers in the USA.⁸

^b This report does not address the gun lobby's general and continuous misrepresentations made in defense of military-style weaponry, such as its semantic arguments denying the existence and demonstrably deadly danger of semiautomatic assault rifles. See, for example, the 2003 VPC studies *Bullet Hooses: Semiautomatic Assault Weapons What Are They? What's So Bad About Them?* (<http://www.vpc.org/studies/hosecont.htm>) and *"Officer Down" Assault Weapons and the War on Law Enforcement* (<http://www.vpc.org/studies/officecont.htm>). In addition, contrary to Stoddard's assertion at the bottom of this page, over 250,000 legal full-auto weapons manufactured before 1986 are available for purchase by civilians from gun stores and individuals in the U.S.

The common thread of these pro-gun arguments is that the role of the U.S. domestic firearms industry in arming the cartels is a fabrication, based on skewed tracing data and purposeful misrepresentation, and that the Mexican drug cartels prefer “real” military weapons, not civilian versions of the same.

Lack of Transparency Caused by the Tiahrt Amendment Aids and Abets the Gun Lobby’s Argument

The gun lobby has received a free ride on this argument. It does not provide any data of its own, but instead merely attacks statements of government officials and concerned public policy groups. It is aided and abetted in this process by restrictions on the release of the underlying crime gun trace data, which creates an informational vacuum in which the NRA’s unsupported claims seek foothold. These restrictions are due to a law, inspired by the National Rifle Association and the gun industry and implemented by Congress, as well as decisions made by ATF’s leadership.

For the past several fiscal years, appropriations legislation for the Bureau of Alcohol, Tobacco, Firearms and Explosives has contained a spending prohibition commonly known as the Tiahrt Amendment (for its sponsor, Kansas Representative Todd Tiahrt). The law bans the public release of comprehensive information about guns traced to crime scenes contained in ATF’s firearms tracing system database. These restrictions prevent policymakers (including Members of Congress), academics and other analysts, journalists, and even law enforcement agencies from having access to comprehensive data that would provide a far clearer picture of the types and sources of firearms being smuggled to Mexico from the U.S. and used by the drug cartels.

The Tiahrt Amendment’s ban on the release of comprehensive crime gun trace data withholds information that up until 2003 had been readily available to the public under the Freedom of Information Act (FOIA). Public release of the data is critical to a fuller understanding of the Mexico gun trafficking problem. During the presidential campaign, then-candidate Obama promised to repeal the Tiahrt Amendment. To repeal the Tiahrt Amendment would not only further public safety in Mexico, but also in the United States. Only the gun lobby and criminals benefit from non-disclosure of this information.

In the absence of such full transparency, data like that contained in this report helps shine a light on the dark corners in which the gun lobby and its industry partners seek to hide such information. All of the information contained in this report is drawn from public records—thorough and detailed, but difficult for citizens and news media alike to access and aggregate.

These data offer a clear window into the significant role played by the U.S. civilian gun market in supplying Mexican gun traffickers and the weapons favored by them—overwhelmingly civilian semiautomatic assault rifles, “vest buster” handguns like the FN Five-seveN 5.7mm armor-piercing pistol, and 50 caliber sniper rifles—and that contrary to the assertions of the NRA’s LaPierre, the cartels are all too willing to “trifle with paperwork at U.S. gun stores.”

Section Two: The Types of U.S. Military-Style Firearms Favored by Mexican Traffickers

For this report, the Violence Policy Center worked to identify criminal cases alleging illegal gun trafficking to Mexico filed in U.S. federal courts in Arizona, California, Nevada, and Texas for the period February 2006 to February 2009.² Reviewing government press releases, government statements, and local news coverage, the VPC was able to identify and obtain the court documents for 21 cases filed during this period. The information presented in this report regarding specific firearms was retrieved exclusively from facts specified by the United States government, primarily in criminal complaints and indictments. The VPC included every case it found, regardless of the type or number of weapons trafficked.

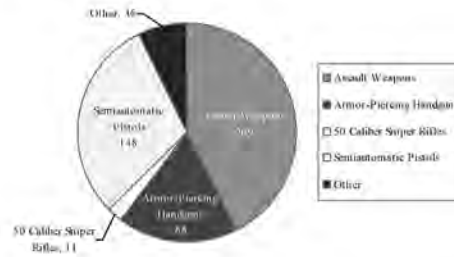
In many of the cases, prosecutors alleged that traffickers were responsible for smuggling larger numbers of guns or rounds of ammunition than were specified in the criminal charging documents. Overall, prosecutors allege that the indicted individuals were responsible for approximately 1,700 guns trafficked to Mexico. Investigators also uncovered high-dollar purchases by traffickers in the course of the investigations associated with the cases. For example, ATF says that after an inspection of a Federal Firearms License holder (FFL) in Texas, it was “able to determine that, over a 15 month time frame, 23 suspected gun traffickers purchased 339 firearms”—with at least 40 of the guns recovered by police in Mexico and three in Guatemala. ATF said the total expenditure on the trafficked guns was \$366,449.31. In another case, ATF said that one suspected trafficker based in Las Vegas, Nevada “had either purchased, or caused others to purchase, over \$100,000 of firearms.”

The percentages and charts presented in this section, however, tabulate only the *named* weapons or ammunition specified in court documents associated with the specific criminal charges. Most include manufacturer, model, and caliber and many include the names of the point-of-sale dealers. Therefore, the VPC findings offer a snapshot of illegal firearms trafficking to Mexico from the United States. The findings should not be viewed in any way as offering an estimate of the *overall* numbers of guns or ammunition being trafficked from the U.S. into Mexico.

The filings that comprise this snapshot offer a clear picture of the types of firearms most coveted by those trafficking guns to Mexico as well as the methods the traffickers use to obtain them. The patterns that emerged from the documents include the following.

² The VPC attempted to identify all such cases but efforts were limited by search restrictions in the databases used.

- o **Traffickers seek out semiautomatic assault weapons, armor-piercing handguns, and anti-armor sniper rifles**



There were 501 firearms⁴ listed in the documents, with specific information about the weapon type for 492 of those firearms. Of the total of 492 firearms with detailed weapon type listed, nearly two thirds (63 percent) were either assault weapons (209 or 42 percent), armor-piercing handguns (88 or 18 percent), or anti-armor 50 caliber sniper rifles (11 or two percent). The remainder were primarily semiautomatic pistols (148 or 30 percent). Of the armor-piercing handguns, all were FN Herstal Five-seven pistols.

- o **Of the total number (226) of rifles, 90 percent (204) could be identified as military-style assault weapons, the bulk of which were either AK-47 or AR-15 variants.**
- o **The firearms listed were a mix of guns manufactured in the United States and weapons imported into the U.S. where they were then acquired by illegal traffickers.**

⁴ In addition to the 501 listed firearms, one case described the illegal acquisition of an unspecified number of firearms. Those firearms are not included in this count.



Of the 487 guns where the source of manufacture could be identified, 301 (62 percent) were made by U.S.-based manufacturers with more than one third (186 or 38 percent) made by foreign manufacturers.

- o In addition to military-style firearms, traffickers also obtain high volumes of ammunition in the United States.

Rounds of Ammunition Recovered by Caliber			
Caliber	Number of Rounds	Caliber	Number of Rounds
.40	10,500	.308	28
9mm	10,001	.338	19
7.62mm	4,011	.38	16
5.56mm	1,128	410	16
.223	177	.357	8
12 gauge	173	.30 Carbine	4
.50	88	Caliber not stated	44,500
.32	40	Total	70,709

o **Traffickers also obtain non-firearm items for their use.**

Examples of items obtained by traffickers detailed in the court documents include: 12 AK-47 drum magazines; two 40mm grenades; five tactical vests; two ballistic body armor plates and carriers; two sets of ballistic body armor; one AR-15 upper receiver; one stun gun; one weapons mounted laser aiming system; and child pornography.

Made clear by the court documents is the fact that those trafficking firearms to Mexico—like the incalculable number of criminals, mass shooters, and extremist organizations before them—recognize that with little more than an ID, money, and a limited degree of ambition virtually anyone can use the U.S. civilian gun market to easily outfit their own army.

Section Three: Methods Used by Traffickers to Obtain the Firearms

What emerges with striking clarity from these cases is that illegal traffickers are indeed willing to, in the words of the NRA's LaPierre, "trifle with paperwork at U.S. gun stores." The vast majority of the firearms listed in the court documents were acquired from Federal Firearms License holders (FFLs), mainly through the use of "straw buyers," a legal purchaser buying a firearm for someone else who is in a prohibited category or for other reasons is violating federal firearms law. Other cases involved individual buyers who lied on the federal Form 4473 (e.g., providing a false address).

The court documents reveal a web of elaborate, coordinated rings of "straw purchasers" who acquired guns for the traffickers at gun shops and gun shows in border states.

- o In one case, a female "straw buyer" was approached by a friend who offered to pay her \$150 for every gun she purchased. The woman eventually told an ATF investigator that she was told to buy only FN Herstal pistols or rifles. She said she bought one firearm from Dury's gun store in San Antonio, Texas on August 8, 2007, and picked up another on August 9, 2007, which she had ordered the day before. On August 11, 2007, the woman was taken by the trafficker to a gun show at the Live Oak Civic Center where she purchased another FN firearm. When the woman took the gun to the trafficker who was waiting in a Jeep, she claimed that the trafficker showed her 10 other firearms that had been purchased by other people. After being contacted by ATF, the woman called her friend and asked him to return the guns so that she could show them to ATF. The friend provided her with an FN rifle and pistol she had purchased and urged her not to worry since he claimed to have other individuals buying guns for him who had not gotten into any trouble. The trafficker's scheme unraveled when the friend identified the trafficker, Ernesto Garza, to ATF and described how he had organized several individuals to buy firearms in San Antonio and then arranged for their transport into Mexico where Garza would trade the firearms for kilos of cocaine and bring the drugs back into the U.S. Garza, a Mexican national, began his trafficking operation in June 2005, dealing mostly in hunting rifles according to U.S. Immigration and Customs Enforcement (ICE). In mid-2006, however, he began trafficking in "high-powered, high-capacity handguns and assault rifles," according to ICE. Garza's gun acquisitions consisted mainly of FN PS90 assault rifles and Five-seveN pistols. ICE alleged that Garza's smuggling ring provided more than 50 weapons to Mexico including one Five-seveN pistol recovered after it was used in a running gun battle that left two Mexican soldiers dead. In August 2008, Garza pleaded guilty to conspiring to obtain firearms by making false statements and smuggling firearms into Mexico.⁹
- o In another case, filed on February 11, 2009, the government alleged that 10 defendants acquired firearms through "straw purchasers" from a variety of Federal Firearms License holders in the Tucson and Phoenix areas and then smuggled them across the border into Mexico. The alleged traffickers evinced a particular appetite for AR- and AK-style assault rifles. The indictment alleges that one "straw buyer" bought eight Olympic Arms AR-type .223 assault rifles on one day in 2008 from Mad Dawg Global, an FFL who appears to operate out of a private residence. A total of 31 assault rifles were bought from

J&G SALES Order Online at: www.jgsales.com
 Dept. SG / 440 Miller Valley Rd / Prescott, AZ 86301 Hours: Mon - Fri: 8 am to 5:30 pm / Sat: 9 am to 5 pm

Czech CZ-82

CALIBER: 9x19 caliber semi-auto, CE and military version. All the CZ-82s - All steel with black polymer finish, 12 round mag, hollow clearing rod and lanyard. **Call for more details for availability. Add \$10 for Hand Select**

SALE! **In Good Condition** 25 each **\$179.95**
Excellent Two or more each **\$169.95**
In Very Good Condition 25 each **\$209.95**
Two or more each **\$199.95**
Factory CZ-82/CZ-81 Mags 12 round (6/8/11 round, 2ND, 4MM) **\$29.95**
New Factory CZ-82/CZ-81 Mags 12 round (6/8/11 round, 2ND, 4MM) **\$43.95**

New CZ52 Steel Replacement Firing Pin #274 **\$9.95**
Hogue Exotic Hardwood CZ52 Grips 2 each **\$49.95**

Polish P64

9x19 Makarov Walther PPV style, all steel construction, aluminum slotted bone, dropcock safety, knurled chamber indicator and 6 round mag. Polished brass finish may show wear. In very good plus condition, add \$10 for Hand Select

J&G Price 2 each **\$159.95**
Polish P64 6 Round Mag 9x19 Caliber 6 each **\$19.95**

GALIL/GOLANI .223 CALIBER

Golani Sporter .223 Caliber
 Semi-auto Galil style rifle with pistol grip, folding stock and high cap mag.

New Lower Price! 20 each **\$599.95**
Golani Sporter .223 Cal. with Lowmount bip. 15 each **\$629.95**
 15 each **\$36.95**
 15 each **\$36.95**
 15 each **\$39.95**

IPER
 12x25mm caliber semi-auto with 12 round mag, 1911 US, made in Israel and high capacity mag.

ROMANIAN AK-47'S

Romanian AK-47 GP75
 7.62x39mm caliber semi-auto with American made receiver, barrel, pistol grip and handstop. Has bayonet lug, woodstock. Steel full magazine brace and high capacity mag.

30 Round Steel AK-47 Mags 7.62x39mm
 Excellent to Like New Condition 10 each **\$19.95**
 Good to Very good Condition 10 each **\$17.95**
 Fair Condition, may have rust 10 each **\$16.95**
 Ten or more 10 each **\$15.95**

AK Side Rail Mount 2 each **\$29.95**
AK Top Mount and Rings 2 each **\$19.95**
Complete Set: 4x30 Scope, Mount & Rings 2 each **\$29.95**
Windage and Elevation Sight Adjustment Tool 1 each **\$7.95**
Bulgarian AK47 Bayonet Type 1 with Sheath For early 60s and 70s rifles. Add **\$19.95 - 2 or more each \$14.95**
Romanian AK47 Bayonet with Scabbard Good condition, 1911 US style. Add **\$9.95 - 2 or more each \$8.95**
 Ten or more 10 each **\$7.95**

Romanian AK-47 WASR10
 12x25mm caliber semi-auto with Eisenberg, tapered leg, steel full magazine. Sturdy, high capacity mag and accessories.

Romanian AKM47 1975 Bullpup
 12x25mm caliber semi-auto with 12 round mag, 1911 US, made in Israel and high capacity mag.

ROMANIAN WASR22 .22LR



The "dealer location" link provided for Mad Dawg Global on Gimslive.com shows this residence in Tucson.

Four Romanian AK-type assault rifles were purchased by suspected traffickers over consecutive days from J&G Sales (ad from Shotgun News above).

Mad Dawg. One defendant also bought four Romanian AK-type assault rifles from J&G Sales on consecutive days in July 2008. In addition, the defendants patronized Phoenix-area gun shows where they bought several assault rifles from FFLs operating at the shows. The defendants were observed by authorities on numerous occasions crossing the border into Mexico at the Douglas Port of Entry. Prosecutors identified 112 firearms that were illegally purchased by this “straw purchaser” ring. Mexican authorities have recovered at least four of the guns in Mexico, including a Saiga 7.62x39mm assault rifle and an Olympic Arms .223 assault rifle. The Olympic Arms assault rifle was found in a house along with 17 other rifles, 7,000 rounds of ammunition, two grenades, and five tactical vests.

Other cases also demonstrate how traffickers are easily able to buy firearms—including assault weapons—in bulk.

- o In one case, a suspected trafficker placed an order at a Texas gun store for 10 DPMS assault rifles and five Bushmaster Carbon 15 assault pistols. The total purchase price for the weapons was \$16,000. Told that the guns were not in stock, the trafficker informed the clerk that not all of the firearms were for him and that others would be by to pick them up. The trafficker provided the clerk with names of individuals who had previously purchased similar models of firearms from that store. The trafficker then paid the entire \$16,000 due in cash. Six DPMS assault rifles were discovered by ICE hidden underneath the roof shingles of a van driven by the suspect as he attempted to cross the border into Mexico.
- o In a separate case, a suspected trafficker bought eight Bushmaster .223 assault rifles from two locations of a Houston gun retailer in a four-day period from December 12 through December 16, 2006. The same trafficker had purchased five Beretta high-capacity pistols from one of the same locations on November 7, 2006. Mexican authorities recovered two of the Berettas along with larger arsenals in separate seizures in Mexico. One of the Bushmasters was recovered from a member of the Zetas—renegade paramilitary forces working for the drug cartels—after an assault on Mexican police.

Other cases highlight the fact that traffickers seek out extreme firepower in the form of military-style weapons:

- o One case involved a single defendant, nicknamed “Zorra,” accused of dealing in firearms without a license. Zorra was allegedly responsible for the illicit transfer of 28 firearms in a five-month period in 2008, including: several DPMS assault rifles; three Barrett 50 caliber anti-armor sniper rifles; and, 11 FN PS90 assault rifles. Zorra was also implicated in another case in which it was asserted that he recruited a “straw buyer,” Juan Valdez, who purchased or caused to be purchased more than \$100,000 worth of firearms according to the sworn complaint of an ATF agent. Mexican authorities seized five guns—including a .223 assault rifle, three .308 assault rifles, and a 50 caliber sniper rifle—that were traced back to Valdez after a shootout in Tijuana that killed four drug cartel suspects and one Mexican soldier in October 2008.

Other traffickers merely lied on the federal Form 4473 to obtain their weapons.

- o Federal investigators believe that Turner Cornell Mooneyham ran a one-man, high-volume, gun smuggling operation that was funneling hundreds of guns to Mexico. Mooneyham allegedly claimed a vacant lot as his residence on the federal Form 4473s he filled out at the numerous retail outlets from which he purchased the firearms. The indictment filed in U.S. federal district court in Texas listed 43 firearms that Mooneyham “fraudulently or knowingly exported” to Mexico. Investigators say Mooneyham trafficked at least 500 firearms to Mexico, selling them to several buyers.¹⁰ The U.S. Attorney cited witnesses who described the methods that Mooneyham used to smuggle the weapons, including a cache under the platform bed of a motor home. A search of the motor home revealed ammunition, gun orders, Mexican immigration documents, and “other evidence indicative of firearms trafficking.” When authorities searched Mooneyham’s residence, they discovered child pornography on his computer. Mooneyham was charged with several counts of possession of child pornography along with charges of making false statements in the records of federally licensed gun dealers and illegally transporting guns from Texas to Mexico. He pleaded guilty to eight counts of firearm violations in December 2008 and was scheduled to go on trial for the child pornography charges in March 2009.

Section Four: Sample Document

This excerpt from the February 11, 2009, indictment of Begmar Ivan Ruiz-Zuniga and Miguel Angel Dominguez describes in detail the methods the two allegedly used to smuggle guns to Mexico and offers examples of the types of weaponry being obtained by traffickers in the United States.

OVERT ACTS	
In furtherance of the conspiracy, and to effect the objects thereof, at least one of the co-conspirators herein committed one or more of the following overt acts, among others, in the Western District of Texas, and elsewhere:	
1.	On or about February 1, 2007, BEGMAR IVAN RUIZ ZUNIGA requested J.L.G. purchase firearms for RUIZ in the United States and illegally export them to him in Mexico.
2.	On or about May 27, 2007, J.L.G. exported two firearms from the United States to the Republic of Mexico for BEGMAR IVAN RUIZ ZUNIGA.
3.	On or about March 19, 2008, J.L.G. traveled from Clarksville, Chihuahua, Mexico to El Paso, Texas to receive firearms from persons known and unknown to the Grand Jury that had previously been purchased for J.L.G. for delivery to BEGMAR IVAN RUIZ ZUNIGA in Mexico.
4.	On or about March 19, 2008, J.L.G. secreted six firearms inside a white cargo van to export them from the United States to the Republic of Mexico for delivery to BEGMAR IVAN RUIZ ZUNIGA.
5.	On or about December 8, 2008, BEGMAR IVAN RUIZ ZUNIGA asked an individual to rent a residence on the east side of El Paso, Texas, in order to facilitate firearms smuggling. RUIZ was to use one room at this residence.
6.	On or about December 17, 2008 this individual rented a house at 11834 Dick Meyers in El Paso, Texas, as requested by BEGMAR IVAN RUIZ ZUNIGA.
7.	On or about December 22, 2008, BEGMAR IVAN RUIZ ZUNIGA asked an individual to pick up a vehicle in El Paso, County, Texas, for RUIZ the following day. RUIZ asked him to then drop off the contents of the vehicle at the residence of Dick Meyers. The individual went to the location identified by RUIZ on December 23, 2008, and drove the vehicle to the Dick Meyers address. This vehicle contained firearms and ammunition.
8.	On or about December 23, 2008, MIGUEL ANGEL DOMINGUEZ, received and stored an upper receiver for an AR-15 style firearm from BEGMAR IVAN RUIZ ZUNIGA, and RUIZ asked DOMINGUEZ to store the upper receiver at DOMINGUEZ'S residence in El Paso, County, Texas until RUIZ could smuggle the upper receiver into Mexico.
All in violation of Title 18 United States Code Section 271.	
2	

NOTICE OF GOVERNMENT'S DEMAND FOR FORFEITURE
18 U.S.C. § 554 (a) and 924(d)(1)

As a result of the offenses set forth in Count One herein, Defendants

BEGMAR IVAN RUIZ-ZUNIGA, and
MIGUEL ANGEL DOMINGUEZ,

shall forfeit to the United States pursuant to 18 U.S.C. § 924(d)(1) and 28 U.S.C. § 2461(c), all firearms involved in or used in any knowing violation of the commission of the offenses, including, but not limited, to the following:

1. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1972F31174.
2. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1976OD0400.
3. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1985 S-BK2850.
4. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1984 NX1259.
5. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1964EF3636.
6. AK GP WASR-1063 7.62 X 39 mm Assault Rifle Serial Number 1988ACL3991.
7. AK-47 GP WASR 7.62 x 39 mm Assault Rifle Serial Number 000325.
8. AK-47 GP WASR 7.62 x 39 mm Assault Rifle Serial Number JS-4612-79.
9. Romanian AK-47 7.62 x 39 mm Assault Rifle Serial Number 1-26383-2001.
10. AK-47 GP WASR 7.62 x 39 mm Assault Rifle Serial Number 000460.
11. AK-47 GP WASR 7.62 x 39 mm Assault Rifle Serial Number 000393.
12. 240 Rounds of 7.62x 39 mm Russian Bear Ammunition.
13. 1000 Rounds of Wolf brand 7.62 x 39 mm ammunition.
14. 88 Rounds of 50 Caliber ammunition.
15. 1100 Rounds of 5.56mm ammunition.
16. 140 rounds of .223 caliber Wolf brand ammunition.

17. 20 rounds of 5.56mm NATO Match ammunition.
18. 20 rounds of armor piercing .223 caliber ammunition.
19. 6 rounds 12 Gauge Shotgun ammunition.
20. 191 rounds of 7.62 x 39mm ammunition.
21. 2 each 12 Gauge Sabot Shotgun Slugs ammunition.
22. 7 rounds 5.56mm ammunition.
23. 19 projectiles 338-270.
24. 16 rounds 410 gauge shotgun ammunition.
25. 17 rounds .223 caliber Remington brand ammunition.
26. 35 rounds 32 auto ammunition.
27. 20 rounds 7.62 x 39mm Wolf brand ammunition.
28. 70 rounds 12 Gauge shotgun Federal Law Enforcement Demo ammunition.
29. 50 rounds 12 Gauge shotgun Federal Law Enforcement Slug ammunition.
30. 44 rounds 12 Gauge shotgun 00 Buck ammunition.
31. 1 round 12 Gauge shotgun 000 Buck ammunition.
32. 1 round 38 special ammunition.
33. 2 rounds 38 special specr ammunition.
34. 5 rounds 32 auto ammunition.
35. 1 round 9mm ammunition.
36. 8 rounds .257 ammunition.
37. 4 rounds .30 carbine ammunition.
38. 7 M16 ammunition magazines.
39. 3 AK-47 ammunition magazines.

- 40. 2 each Ballistic body armor plates and carriers.
- 41. 2560 rounds of 7.62 x 39mm Russian ammunition.
- 42. 13 rounds of 38 special ammunition.
- 43. 2 sets of Ballistic body armor.
- 44. 1 AR-15 Upper Receiver.

A TRUE BILL.

FORPERSON OF THE GRAND JURY

JOHNNY SUTTON
UNITED STATES ATTORNEY

BY:


Assistant U.S. Attorney

Section Five: Examples of Models of Assault Rifles, Pistols, and 50 Caliber Sniper Rifles Cited in Documents



Bushmaster Carbon 15 pistol



WASR-10, imported from Romania by Century Arms



Bushmaster AR-15 type assault rifle



Model: Plinker Plus

Upper type: Forged A1 w/ windage only adjustment.
 Front sight: Elevation adjustable post w/ bayonet lug.
 Handguard: Fiberglass carbine length caps.
 Barrel: 16", button rifled, 4140 chromemoly steel.
 Chambering: 5.56 nato
 Bore: Long-life non-chromed bore
 Twist rate: 1:9
 Muzzle: A2 flash suppressor
 Stock: A2 w/ trapdoor
 Length/Weight: 35.75" / 7.37 lbs

	Dealer	Retail
Complete Firearm	\$549	\$709
Upper Receiver Assembly	N/A	N/A
Unassembled Dealer Kit	N/A	N/A

Plinker Plus models cannot be ordered with upgrade options. These models are only available as configured.

Olympic Arms Plinker Plus



Saiga Rifle, imported by Arsenal Arms



FN Herstal PS90



FN Herstal Five-seven pistol

BARRETT
Firearms Manufacturing, Inc.

P.O. Box 1078 • Milledgeville, Tennessee 37133 • USA • 615-265-2638 • FAX 615-265-3113

Model 82A1



Long range accuracy, light weight, low recoil

82A1 FEATURES:

- Caliber - 50 BMG
- Operation - Short Recoil, Semi-Automatic
- Overall Length - 57 inches
- Barrel Length - 29 inches
- Weight - 28.5 Lbs.
- Feed Device - 10 Round Box Magazine
- Flighty Efficient Muzzle Brake
- Sorbothane® Recoil Pad
- Match Grade Barrel
- Extreme Accuracy
- Scope Optional

Barrett 50 caliber armor-piercing sniper rifle

**Section Six: Steps the U.S. Government Can Take to Address
Gun Trafficking from the United States to Mexico**

It is clear that the U.S. gun industry is significantly contributing to the flow of military-style weapons that is fueling the violence in Mexico. The United States must take responsibility for the role that U.S. gunmakers, importers, and retailers play in supplying Mexican drug cartels. There are several immediate steps that the U.S. government can, and must, take to help stem the cross-border flow of weapons.

STEP ONE: The Obama administration should immediately and strictly enforce the existing ban on the importation of semiautomatic assault weapons.

- o The federal Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) can fully exercise its existing statutory authority to exclude from importation all semiautomatic assault rifles as “non-sporting” weapons pursuant to 18 USC §925(d)(3) (a provision of the 1968 Gun Control Act) and also exclude the importation of assault weapon kits and parts sets. This policy was first implemented in 1989 by the George H.W. Bush administration in response to drug wars and mass shootings in the U.S. The Clinton administration strengthened the import rules in 1998 in response to efforts by the gun industry to evade the ban, but the policy was essentially abandoned by the George W. Bush administration. A strict import policy would capture the vast majority of AK-type rifles and other imported assault rifles such as the WASR-10 and FN Herstal PS90 favored by the Mexican cartels.

STEP TWO: The Obama administration should expand the import restrictions to include other dangerous “non-sporting” firearms.

- o The same provisions of existing law could be used by ATF to restrict other “non-sporting” firearms that are currently being imported into the U.S. and trafficked to Mexico, including the FN Five-seveN handgun and new AK-type pistols.

STEP THREE: The Obama administration should work with Congress to repeal the current restrictions on release of ATF crime gun trace data (Tiahrt Amendment).

- o For several years the legislation making appropriations for the Bureau of Alcohol, Tobacco, Firearms and Explosives has included severe restrictions on the public release of data contained in the crime gun trace database. Previously, the data was publicly available under the Freedom of Information Act (FOIA). Access to this database is critical to a full understanding of the gun trafficking problem, e.g. most problematic makes/models, source states and dealers, etc. It is imperative that the Obama administration follow through on its campaign promise to work with Congress to repeal these restrictions in ATF’s fiscal year 2010 appropriations.

STEP FOUR: ATF should be far more aggressive in identifying and sanctioning Federal Firearms License holders (FFLs) who are the sources of high volumes of guns trafficked to Mexico. For example:

- o **Target border-state dealers for yearly compliance inspections.** ATF is allowed to conduct one warrantless compliance inspection of each dealer once a year. It should ensure that dealers found to supply a significant number of guns seized in Mexico are inspected annually.
- o **Be more aggressive in revoking the licenses of dealers found to be knowingly supplying Mexican traffickers.** Although federal law allows a license to be revoked for a single violation—provided ATF can show it was “willful”—ATF usually does not seek revocation unless a dealer has had numerous problems over years of inspections.
- o **Require licensees who conduct business at gun shows to notify the Attorney General of such activity.** ATF has acknowledged that gun shows in border states are a significant source of guns trafficked to Mexico. The law allows the Attorney General to prescribe the rules for dealers operating at gun shows. ATF could focus targeted oversight and regulation on FFLs who sell at gun shows in border states and sanction dealers identified as actively supplying those trafficking firearms to drug gangs in Mexico.

STEP FIVE: Implement legislative initiatives that will significantly reduce the firepower available to gun traffickers.

- o **Implement an effective federal assault weapons ban.** The federal ban that expired in 2004 was ineffective in that manufacturers continued to sell assault weapons throughout the term of the ban by making minor cosmetic changes in gun design. For example, the domestically manufactured AR-type rifles that are currently a huge part of the problem in Mexico were sold by manufacturers Bushmaster, Colt, DPMS, and others in “post-ban” configurations that complied with the letter, but not the intent, of the 1994 law. To be effective, a new federal law should be modeled on California’s existing comprehensive ban. Such a bill was introduced last Congress by Representative Carolyn McCarthy (D-NY) as H.R. 1022. The bill also includes a ban on high-capacity ammunition magazines that would help reduce the lethality of the standard high-capacity pistols that are also a problem in Mexico.
- o **Implement restrictions on 50 caliber sniper rifles.** A bill (S. 1331) to regulate the 50 caliber sniper rifles favored by Mexican gun traffickers under the strict licensing, background check, and taxation system of the National Firearms Act (NFA) was introduced last Congress by Senator Dianne Feinstein (D-CA).
- o **Update the current ban on armor-piercing ammunition to cover new types of armor-piercing and armor-piercing incendiary ammunition.** The current federal law uses an inadequate “content-based” standard that does not work to ban new types of armor-piercing ammunition like that used in the FN Five-seveN pistol currently favored by Mexican cartels or the .500 Smith & Wesson revolver.

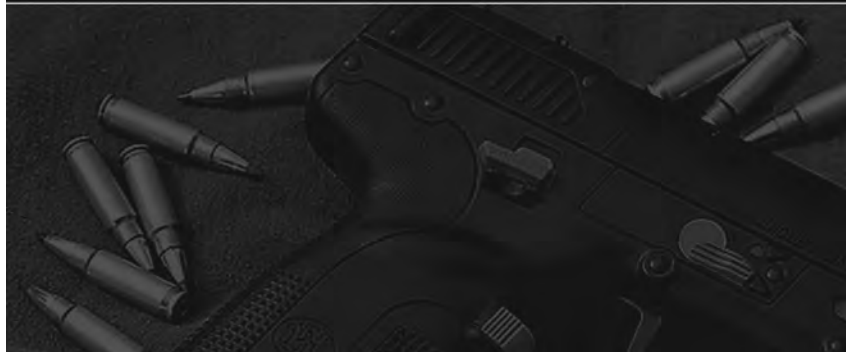
Endnotes

- ¹ See, e.g., U.S. House of Representatives, Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, Hearing on "Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S.-Mexico Border?," March 13, 2009, <http://nationalsecurity.oversight.house.gov/story.asp?ID=2343>; U.S. House of Representatives, Subcommittee on the Western Hemisphere, Hearing on "Guns, Drugs and Violence: The Merida Initiative and the Challenge in Mexico," March 18, 2009, http://www.internationalrelations.house.gov/hearing_notice.asp?id=1055.
- ² "Drug traffickers routinely use firearms against each other and have used these weapons against the Mexican military, law enforcement officials, and Mexican civilians. Because firearms are not readily available in Mexico, drug traffickers have aggressively turned to the U.S. as their primary source. Firearms are routinely being transported from the U.S. into Mexico in violation of both U.S. and Mexican law. In fact, according to ATF's National Tracing Center, 90 percent of the weapons that could be traced were determined to have originated from various sources within the U.S.," Statement of William Hoover, Assistant Director for Field Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives, United States Department of Justice and Anthony P. Placido, Assistant Administrator for Intelligence Division, Drug Enforcement Administration, United States Department of Justice Before the United States Senate Committee on the Judiciary, Subcommittee on Crime and Drugs, Concerning "Law Enforcement Responses to Mexican Drug Cartels," March 17, 2009.
- ³ "Cartels in Mexico's drug war got guns from US," *The Associated Press*, January 27, 2009.
- ⁴ "Arizona Guns are Finding Way to Mexico Drug Lords," *The Arizona Republic*, May 25, 2007.
- ⁵ James Verini, "Arming the Drug Wars," *Conde Nast Portfolio.com*, <http://www.portfolio.com/news-markets/international-news/portfolio/2008/06/16/Examining-the-US-Mexico-Gun-Trade?page=3#page=3>, July 2008.
- ⁶ Testimony of William J. Hoover, Assistant Director, Office of Field Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives, U.S. Department of Justice, Hearing of Western Hemisphere Subcommittee of the House Committee on Foreign Affairs on "U.S. Obligations Under the Merida Initiative," February 7, 2008.
- ⁷ Wayne LaPierre, "Commentary: U.S. freedoms not to blame for Mexico's drug war," <http://edition.cnn.com/2009/WORLD/americas/03/26/lapierre.guns.mexico/>.
- ⁸ "Mexican border crisis: the barbarians are at the gate," <http://www.renewamerica.us/columns/zieve/090331>.
- ⁹ U.S. Immigration and Customs Enforcement news release, August 26, 2008.
- ¹⁰ Robert Arnold, "Quiet Life of Gun Smuggling," *Click2Houston.com*, February 18, 2009.



Violence Policy Center

1730 Rhode Island Avenue, NW 202-822-8200 **voice**
Suite 1014 202-822-8205 **fax**
Washington, DC 20036 www.vpc.org **web**





March, 2009

**MEXICO AND THE FIGHT AGAINST
DRUG-TRAFFICKING AND
ORGANIZED CRIME:
SETTING THE RECORD STRAIGHT**

Executive Summary

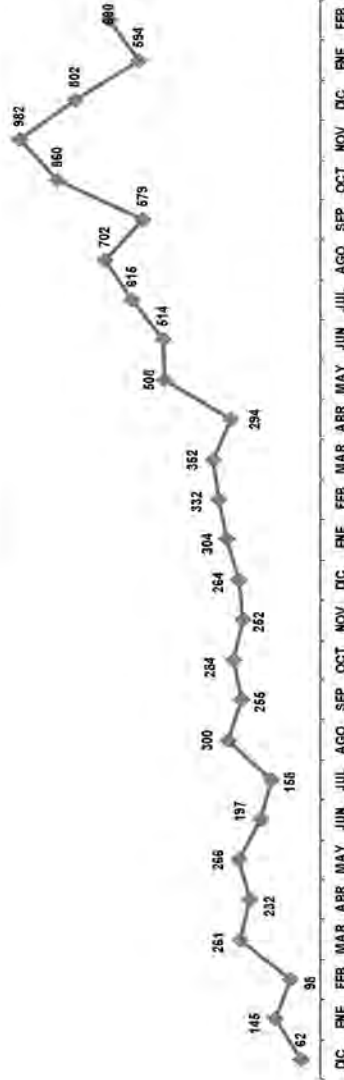
1. In recent months, various commentators, think tanks, public officials, and media outlets throughout the United States have picked up on the label of Mexico as a "failed state" or "narco-state", issuing dire warnings about the "impending chaos" south of the border.
 2. That description grossly distorts the facts on the ground. Mexico is not a failed or failing state. In the 2008 Failed States Index, compiled by the Carnegie Endowment for International Peace, it was ranked 105 out of 177 countries, well above nations such as Russia, China, India, Israel, Egypt, Colombia, and Saudi Arabia.
 3. The Mexican government does not deny the existence of the serious security challenges posed by organized crime. However, those challenges require a reality-based response instead of a media-driven frenzy.
 4. Mexico does indeed face a significant challenge from organized crime. Well-financed, well-armed criminal gangs have sought to roll back governmental actions through the use of violence and corruption. Their tactics have become more brutal as a systematic and sustained campaign of lawlessness launched by the administration of President Felipe Calderon has seriously dented their illegal operations.
 5. Nevertheless, while deeply worrying, violence from organized crime needs to be analyzed in a wider context. Mexico has not so much experienced an increase in the level of violence as it has seen a change in the nature of this violence.
6. The current rate of violent deaths in Mexico is 10.4 per 100,000 inhabitants. That rate is:
 - ❖ 25% lower than in 1990.
 - ❖ 2.5 times lower than in Brazil, 3.6 times lower than in Colombia, and 4 times lower than in Guatemala, and.
 - ❖ Approximately equal to the murder rate in the United States in the early 90's.Moreover, according to the latest data, drug-related deaths are overwhelmingly concentrated in five states:
 - ❖ Chihuahua, Sinaloa, Baja California, Guerrero and Michoacán, home to 15% of the total population
 - ❖ 55% took place in 11 municipalities (out of 2,492 nationwide)
 - ❖ A single city (Ciudad Juárez) was the scene of more than a fifth of all drug-related murders.
 7. The increase in drug-related violence is the direct result of the willingness and determination of the Mexican government to stamp out organized crime and the success of these efforts. Over the past two years, Mexican security forces have:
 - ❖ Detained 59,979 individuals involved in organized crime
 - ❖ Seized 33,454 firearms, over 4.5 million rounds of ammunition, and 2,454 grenades
 - ❖ Confiscated 15,246 vehicles, 261 boats, and 344 airplanes
 - ❖ Seized 77 tons of cocaine, 4,145 tons of marijuana, and 584 kilos of heroin
 - ❖ Confiscated over \$230 million USD in bulk cash
 - 8.

9. The fight against organized crime goes well beyond law enforcement operations. The Mexican government's comprehensive strategy against organized crime has five major components:
- ❖ Recovery of public spaces
 - ❖ Law enforcement operations
 - ❖ Institutional reform
 - ❖ Recovery of social cohesion and trust
 - ❖ International cooperation
10. Institutional reform is a key challenge. On that front, the Calderon administration has taken several bold steps:
- ❖ The judicial system is in the process of radical transformation. The core of the reform includes a shift from an inquisitorial system to an adversarial one, including the introduction of oral trials by 2016
 - ❖ Local police forces are being purged from corrupt elements. Within three years, all 375,000 municipal and state police officers will go through vetting procedures, including strict polygraph tests
11. The Mexican federal government is setting its own house in order. The aptly-named *Operación Limpieza* has led so far to the indictment of a top federal prosecutor, the chief of the Mexican Interpol, and several dozen other public officials.
12. In sum, Mexico simply does not fit the pattern of a "failed state". If one considers the most commonly used variables to identify "failed states", control over territory, provision of public services, existence of displaced people or refugees, civil disobedience, inability to collect taxes, economic disarray, infant mortality and interaction with the international community, it is difficult to see how the label fits. Mexico has strong democracy and solid institutions, a vigorous civil society, sound macroeconomic fundamentals and above all, the Mexican government maintains full control of its territory.

Public Security In Context

The increase in drug-related murders is a response of drug-trafficking organizations (DTO's) to government pressure and the inability to deliver narcotics to the consumer market in the U.S. It is a process similar to the killing spree suffered by the United States during the crack epidemic and subsequent police clampdown of the 80's and 90's.

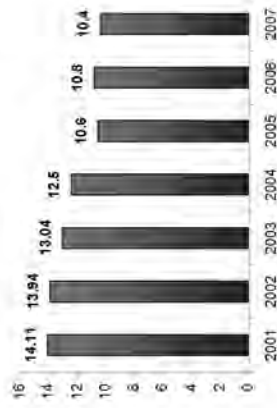
MURDERS DECEMBER 2008-FEBRUARY 25, 2009.
Total: 10,302



Public Security in Context

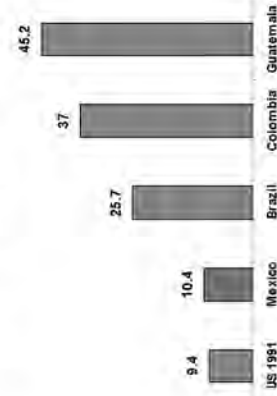
In spite of the recent spike in drug-related murders, the general murder rate in Mexico has been on a downward trend, and remains significantly below regional standards comparable to the rate registered in the U.S. in the early 90s.

MEXICO: MURDER RATE, 2001-2007
(murders per 100,000 inhabitants)



Source: *National Institute for Statistics and Geography (INEGI)*

MURDER RATE FOR SELECTED COUNTRIES, 2007
(murders per 100,000 inhabitants)

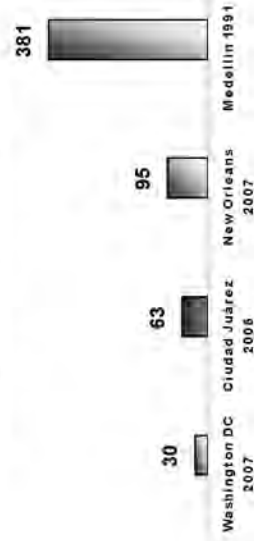


Source: *United Nations, FBI, Mexican Governmental sources*

Public Security In Context

Even Ciudad Juárez, the hardest hit city, has a murder rate that is more or less in line with that of crime-ridden cities in the United States, and is, for example, six times lower than the level registered in Medellín, Colombia, during the Pablo Escobar era.

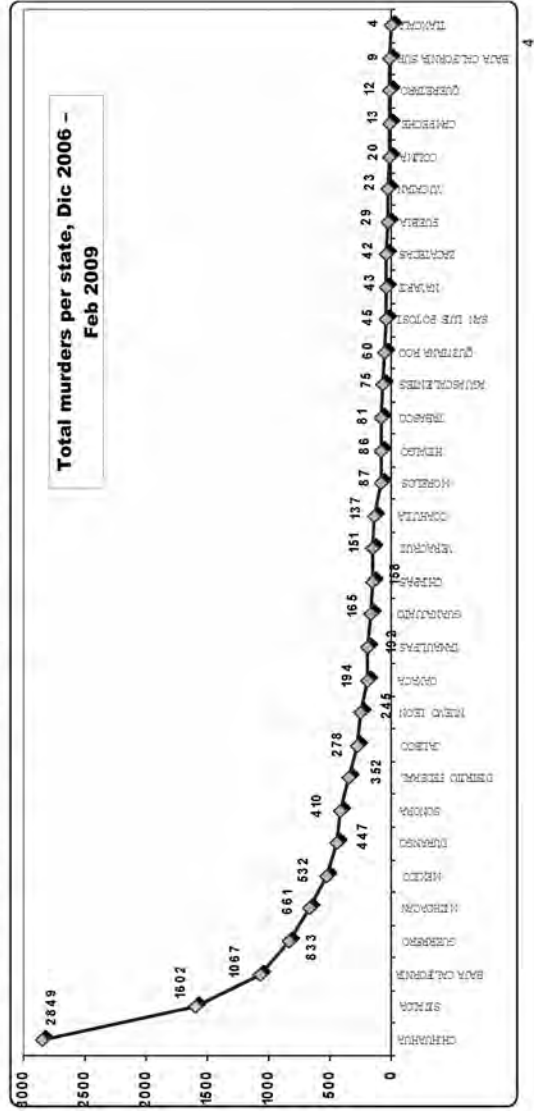
MURDER RATE, SELECTED CITIES
(murders per 100,000 inhabitants)



Source: United Nations, FBI, Mexican Governmental sources

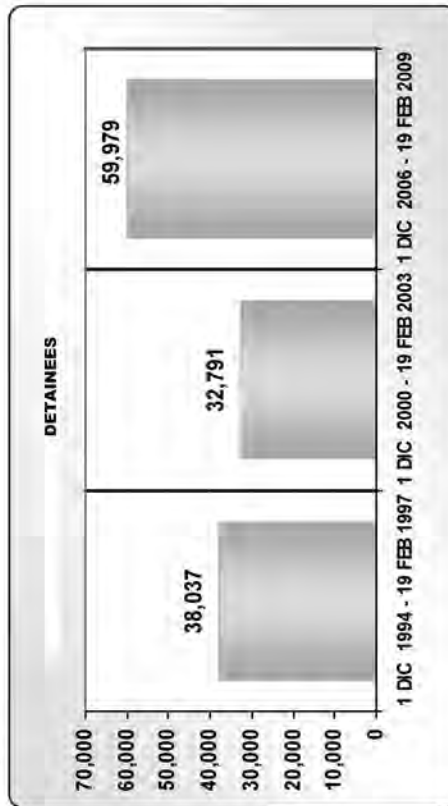
Public Security in Context

Moreover, drug-related violence is heavily concentrated in three northern and two southwestern states, representing 64% of the total: Chihuahua, Baja California, Sinaloa, Guerrero and Michoacán. These states are home to 15.25% of the Mexican population. The most violent state (Chihuahua) has seen 700 times more drug-related murders than the least violent state (Tlaxcala).



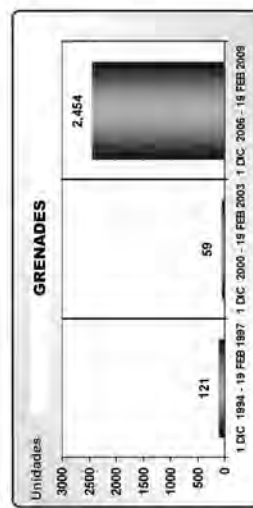
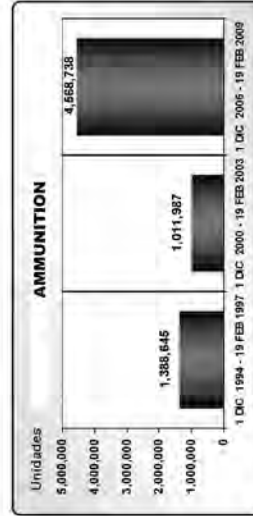
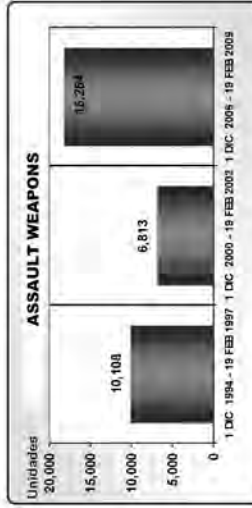
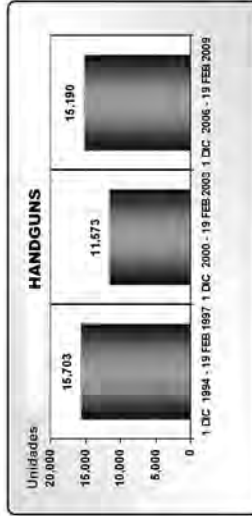
Progress Report

The fight against organized crime is producing tangible results. Since December 2006, Mexican security forces have detained 59,979 individuals linked to DTO's, roughly equivalent to the size of all Central American armed forces and almost twice as many as those detained by the previous administration in a comparable period of time.



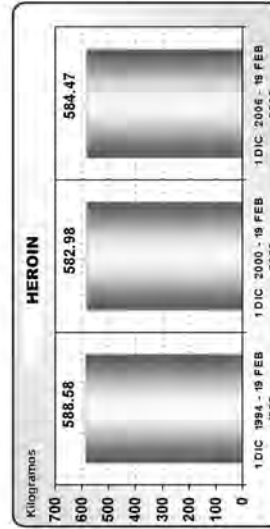
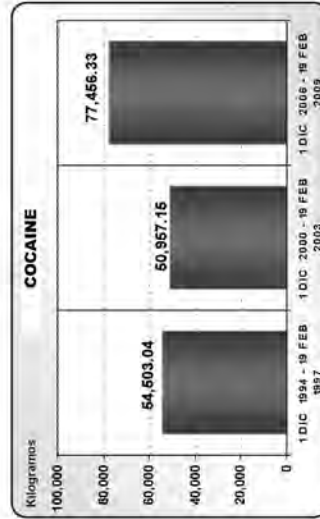
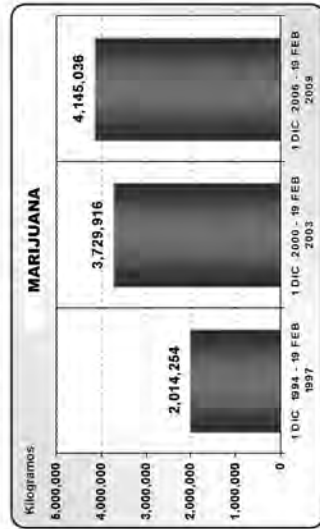
Progress Report

In two years, 33,454 firearms have been seized, 82% more than in the comparable period of the two previous administrations. That arsenal is roughly four times the number of weapons confiscated from the Revolutionary Armed Forces of Colombia (FARC) in 2008.



Progress Report

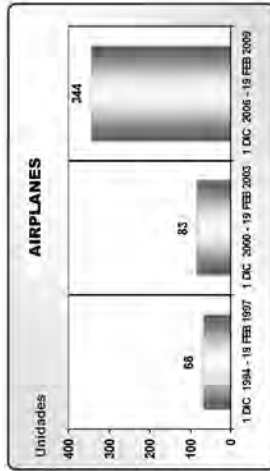
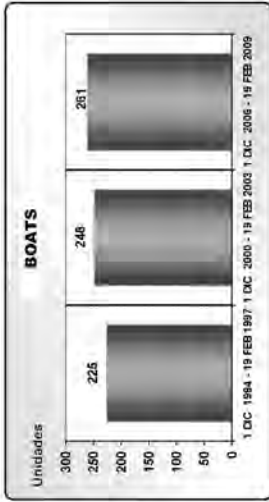
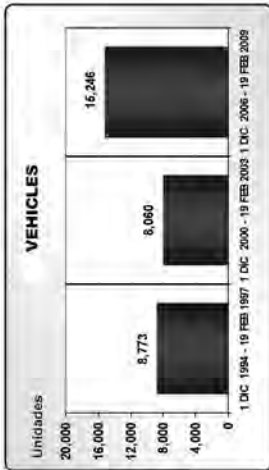
Drug seizures are at an all-time high. Cocaine seizures are 50% above the levels of the two previous administrations



By seizing 77 metric tons of cocaine, the Mexican government prevented 231 million personal doses from reaching consumers.

Progress Report

Mexico is dismantling the command, control and intelligence structures of criminal gangs. Aircraft seizures have increased 314%, car seizures, 89%, and boat seizures, 5%.

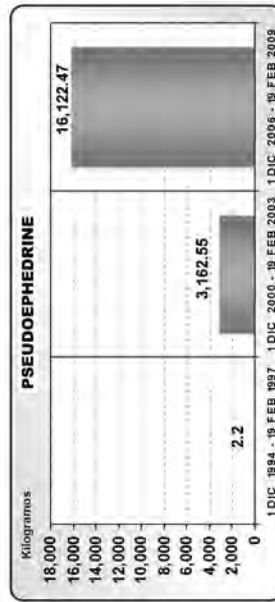
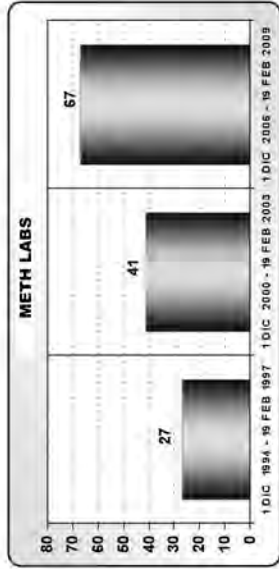


The number of confiscated boats is equivalent to twice the size of the fleet of the Mexican Navy.

The number of airplanes seized is equivalent to 52% of American Airlines' fleet and 76% of Delta's fleet.

Progress Report

The clampdown on synthetic drugs is equally impressive. In two years, 67 labs have been closed down, 63% more than during the same period of the past administration.



Over 16 tons of pseudoephedrine have been seized, a 410% increase compared to previous administration.

Strengthening Institutions

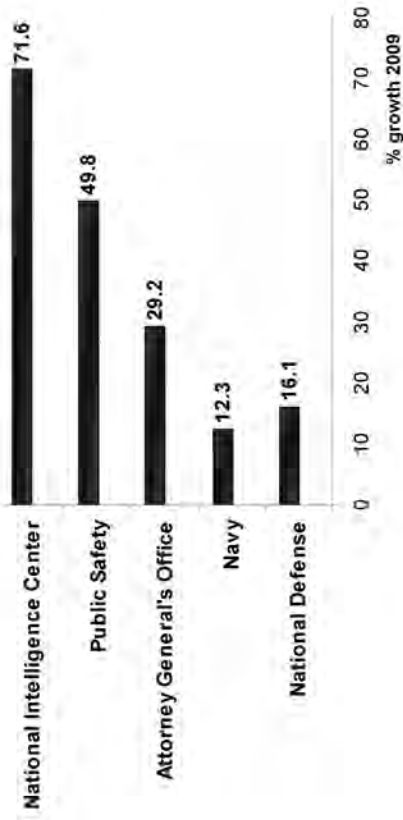
The Mexican government has also initiated a major institutional reform effort. Some of its key components include the following:

1. **A radical reform of the judicial system:** by 2016, all criminal trials will be held following oral, transparent, evidence-based procedures.
2. **A large-scale purge of police forces at all levels (federal, state, and local):** by 2012, all police officers of every single department will have gone through a rigorous vetting process, including polygraph tests.
3. **A major technological leap:** beginning in 2009, every police department will be connected to a secure communications network and will be able to access national databases with information on fingerprints, vehicles, and firearms.
4. **An improvement in interagency coordination:** as a result of recently approved legal reforms, security agencies at the local, state, and federal levels will be able to share information in a more fluid and less cumbersome manner.
5. **Creation of a fusion center (interagency information exchange)** that will produce actionable strategic and tactical intelligence against organized crime.

Strengthening Institutions

The overall security and defense budget is set to increase by 31% in real terms during 2009, with important increases for key security agencies.

BUDGET INCREASE BY FEDERAL AGENCY, 2009
(Percentage increase vs. 2008)



Gaining Social Trust

A large majority of Mexicans support the fight against organized crime. In particular, there is widespread support for the presence of the armed forces in states where there are ongoing operations against criminal gangs.

Do you approve the actions taken by the federal government against drug-trafficking?



Should the Mexican Armed Forces continue supporting the fight against drug-trafficking or not?



Source: *El Universal* - 2008

Failed States

Mexico ranked 105 out of 177 countries in the 2008 Failed States Index, produced by Fund for Peace and Foreign Policy magazine.

Mexico was seen as less likely to fail than countries such as Colombia, China, India, Israel, Egypt, Venezuela, Saudi Arabia and Russia.

Mexico has a relatively low risk profile. It has:

- No significant ethnic conflicts
- No separatist movements
- No territorial disputes with neighboring countries
- No risk of a military coup (the last successful military rebellion was in 1920)
- No known presence of terrorist organizations
- Only a small and extremely limited guerrilla movement
- Full control of its territory

RANKING, 2008 FAILED STATES INDEX

Selected countries	
Rank	Country
1	Somalia
2	Sudan
3	Zimbabwe
4	Chad
5	Iraq
6	D.R. Congo
7	Afghanistan
8	Cote d' Ivoire
9	Pakistan
10	Central African Republic
37	Colombia
40	Egypt
49	Iran
58	Israel
66	Guatemala
72	China
68	Russia
79	Venezuela
84	Saudi Arabia
98	India
105	Mexico
117	Brazil

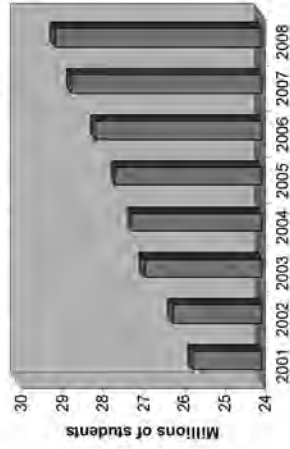
Source: Foreign Policy

Failed States?

By all significant measures, Mexico has a functioning state. It does face major challenges in many issue areas, but the Mexican government has a clear and firm commitment to address them.

Mexico provides public education to almost 30 million people...

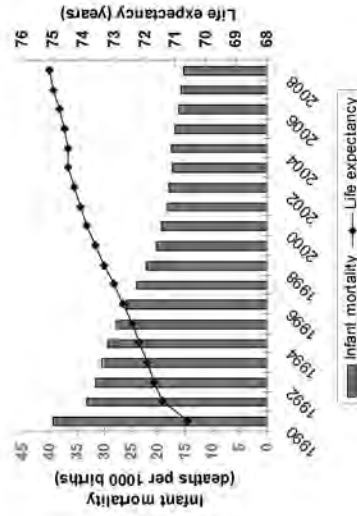
MEXICO: PUBLIC EDUCATION ENROLLMENT (millions of students)



Source: Ministry of Education

...and has experienced a steady improvement in health indicators.

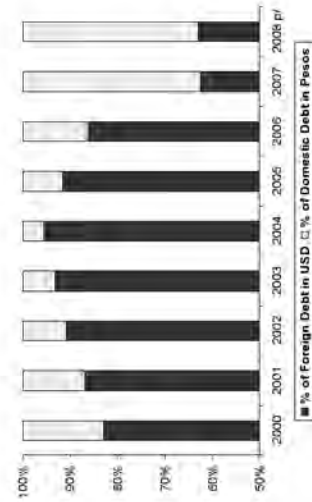
MEXICO: HEALTH INDICATORS



Source: INEGI

Public Debt

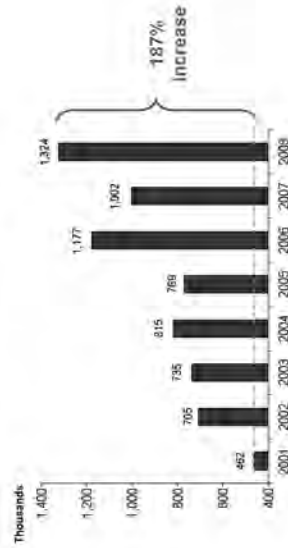
The composition of Mexico's public debt has changed drastically in just six years: in 2004 more than 95% of it was denominated in dollars, and by 2008 only 63% was dollar-denominated. This reduces the effect of exchange rate swings on Mexico's public finances and attests to the confidence that both national and foreign investors have in the peso. In fact, in 2008 the Government successfully issued a 32 year bond denominated in pesos.



Source: Ministry of Finance (SHCP)

Mortgage loans

Financial institutions in Mexico are well-capitalized and regulated, and were not involved in the acquisition of so-called toxic assets. The number of mortgage loans increased by 187% between 2001 and 2008. This confirms confidence by both lenders and borrowers, who have a long-term positive outlook for Mexico's economic future. It is also evidence of a burgeoning middle class that perhaps for the first time in a generation has been able to get a mortgage loan, thanks to macroeconomic stability.

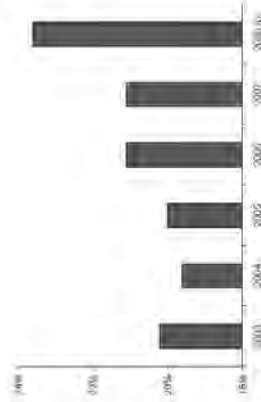


Source: Il Informe de Gobierno, 2008

Failed States?

Public income as a percentage of GDP

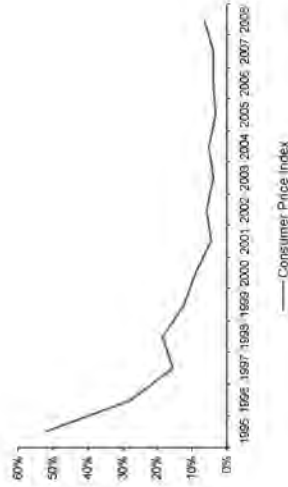
Government revenue has been on the rise for the past 10 years.



Source: *INEGI*

Inflation

As a result of responsible fiscal and monetary policies, inflation has been reduced and remains at low levels.



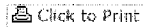
Source: *Banco de México*

5/5/2009

ATF takes aim at deep 'Iron river of g...



Powered by Clickability

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

ATF takes aim at deep 'Iron river of guns'

By Kevin Johnson, USA TODAY

Guns recovered in some of the largest recent weapons seizures in Mexico are being traced deep into the United States — miles from the volatile border — revealing an expanding trafficking network that feeds Mexico's violent drug cartels, according to government documents and U.S. investigators.

Bureau of Alcohol, Tobacco, Firearms and Explosives records show 80% of the weapons recovered and traced originate from a growing number of sources spanning from the Northwest to New England. The trafficking routes have created what Sen. Dick Durbin, D-Ill., described earlier this week as an "iron river of guns" flowing to the warring cartels, contributing to about 7,000 deaths in the past 14 months.

2,000 weapons a day

Some of the strongest recent evidence of the cartels' expanding gun pipeline:

- Four months after the largest weapons seizure in Mexican history, U.S. investigators have traced 383 of the more than 400 weapons seized from a stash house in Reynosa, Mexico, to 11 states including Ohio, South Carolina, Virginia, Florida, Michigan and Connecticut, according to ATF records.
- Nearly a year after a gunbattle left 13 dead in Tijuana, the seizure of 60 guns has prompted probes in Seattle, San Francisco, Philadelphia and Denver.
- The guns, many of them high-powered assault rifles, are streaming across the border at such a pace that some are being recovered in Mexico within days after their purchase in the U.S., according to ATF records.

One of the weapons in the Reynosa investigation — a 9mm handgun — was recovered 11 days after its purchase in the Houston area.

"Every time we open one of these cases, we are learning something new," said William Hoover of the ATF. The Reynosa seizure has spawned 25 to 30 ongoing trafficking investigations across the USA, he said.

Escalating violence in the battle to control the lucrative drug trade in Mexico has increased the demand for weapons, while the cost for firearms along the U.S. side of the border has soared, Hoover said. Those market forces drive traffickers far into the interior of the United States in search of new and cheaper supplies of firearms.

Denise Dresser, a political science professor at Mexico's Autonomous Institute of Technology, told a Senate panel Tuesday that up to 2,000 weapons per day flow into Mexico from the United States.

Many of the guns recovered in Mexico also are much more quickly used in crimes than is typical in U.S.-based gun investigations.

in the Reynosa seizure, U.S. investigators are focusing on about 120 weapons in which the time of a gun purchase to the time of recovery in a crime is half of the 10-year U.S. average. This includes newly purchased handguns and assault rifles, Hoover said.

"There is no doubt about it that the (drug-trafficking organizations) need firearms," he said. "Everybody knows the fight is on; everybody knows the pressure is being applied along the border."

usatoday.printthis.clickability.com/.../c...

1/2

5/5/2009

ATF takes aim at deep 'Iron river of g...

Lawmakers join fight

That pressure, the ATF official says, is driving up gun prices in border states.

In Texas, for example, a used .45-caliber handgun may sell for about \$750. North of the U.S. border states, Hoover says, the same gun may cost \$350.

Within the past six months, Hoover says, a federal investigation revealed that traffickers were paying a flat fee of about \$1,000 per gun, regardless of the type, to keep the flow of weapons moving.

Fearing increased spillover violence on the U.S. side of the border, federal lawmakers from border states, including Reps. Ciro Rodriguez, D-Texas, and Harry Teague, D-N.M., on Wednesday introduced legislation that would provide \$379 million in law enforcement aid aimed in part at slowing the gun-smuggling trade.


The proposal includes a plan to inspect vehicles traveling into Mexico from the United States.

It also includes \$30 million for the ATF to expand its gun-smuggling investigations along the Southwestern border.

"The funding in this bill provides law enforcement with additional resources to aggressively go after the illegal gun smuggling that has fueled much of the violence along the border," Teague says.

Find this article at:

http://www.usatoday.com/news/nation/2009-03-18-carte/guns_N.htm

 [Click to Print](#)

[SAVE THIS](#) | [EMAIL THIS](#) | [Close](#)

Check the box to include the list of links referenced in the article.

Copyright 2006 USA TODAY, a division of Gannett Co. Inc.

