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**Before the House Committee on Foreign Affairs**  
**Subcommittee on the Western Hemisphere**  
**“US-Mexico Security Cooperation: An Overview of the Merida Initiative 2008-  
Present”**  
**May 23, 2013**



## Introduction

Mr. Chairman, Ranking Member and Members of the Subcommittee: I am grateful for the opportunity to appear before you on behalf of InSight Crime<sup>1</sup> and the Woodrow Wilson Center to discuss security issues in Mexico, and United States efforts to address these issues through the Merida initiative.<sup>2</sup>

Since its beginnings in 2008, the Merida Initiative has – via a series of important programs ranging from prevention strategies to technical assistance and equipment – opened the way for unprecedented cooperation between the two nations. The cooperation helped Mexican authorities capture 25 of 37 designated kingpins, severely debilitating several of the large criminal structures. The Calderón government also initiated important judicial sector reforms and started to restructure the country’s security forces in order to deal more effectively with criminal organizations. Amongst these security forces are the Mexican municipal police, which have long constituted a critical component to many criminal organizations’ operations.

At the same time, Mexico has lived through an unprecedented spike in violence. Homicide rates tripled during President Calderón’s time in office. (See Figure 1) Several of its most important cities came under siege. As many as 65,000 have been killed in the last six years and several thousand more have disappeared. Targets included politicians, police, military personnel and civilians. The response by military personnel, at least in some cases documented by human rights organizations, was excessive and may have included extrajudicial executions of suspects or civilians.<sup>3</sup> Meanwhile, criminal gangs have fragmented. They have diversified their criminal portfolios and draw much of their income from local revenue sources such as drug peddling in the increasingly large local drug market and extortion.

The challenges the Peña Nieto administration faces are tremendous. But there has been progress, and continued cooperation by the United States of Mexico’s effort is warranted and needed to move in a positive direction.

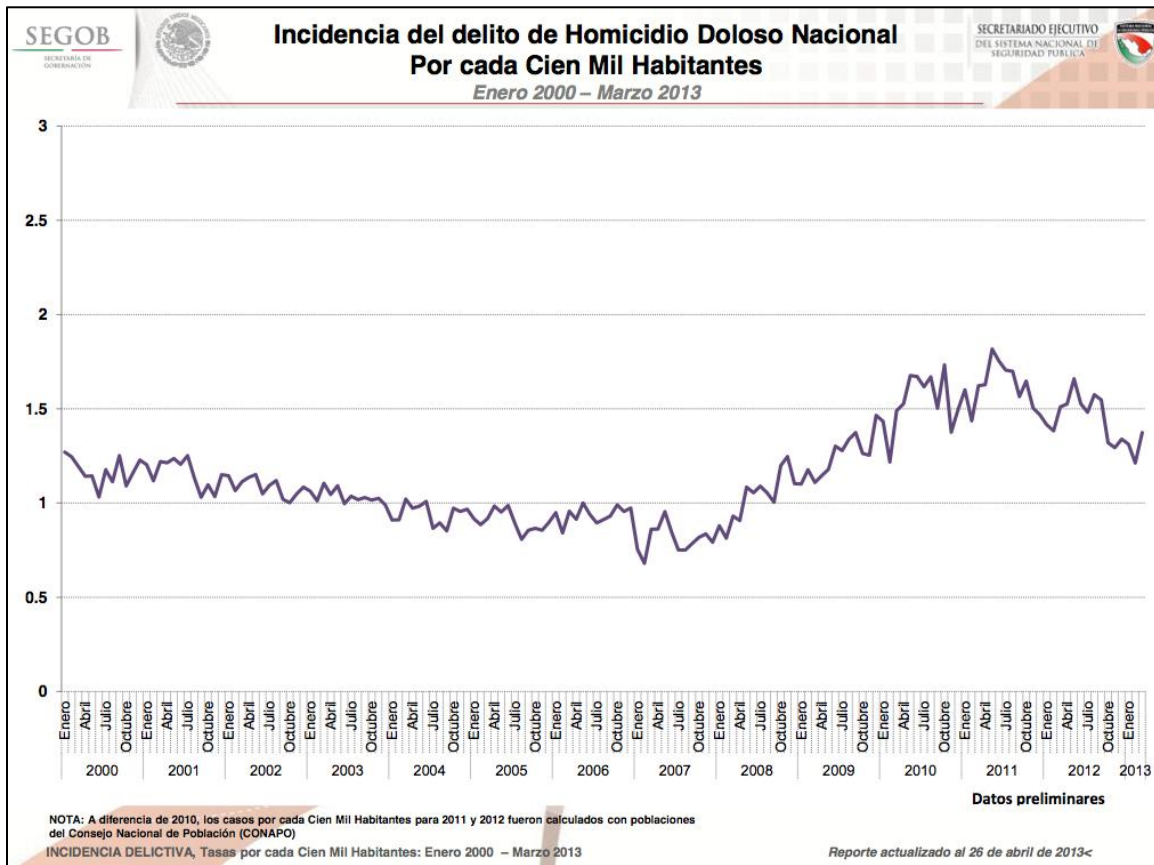
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<sup>1</sup> InSight Crime is a small think tank based in Medellin, Colombia, and American University in Washington DC, that monitors, analyzes and investigates criminal organizations in the Americas with the aim of improving citizen security policy. For more information go to: [insightcrime.org](http://insightcrime.org)

<sup>2</sup> Sandra Rodriguez, Viridiana Rios and members of the Woodrow Wilson Center also contributed to this research.

<sup>3</sup> See Human Rights Watch, “Mexico’s Disappeared,” February 20, 2013.

**Figure 1: Homicide Rate in Mexico, 2000 - 2013**



## The Evolution of Mexico’s Criminal Underworld

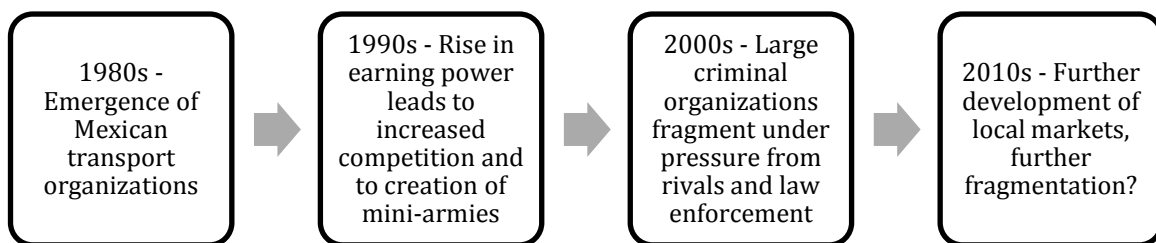
The evolution of these criminal groups is worth exploring in more detail so we can understand exactly what challenges Mexico currently faces.<sup>4</sup> In Mexico, the largest criminal organizations trace their roots to the 1960s when smuggling groups moved contraband, migrants, illegal drugs and other products across the United States border. This core group of smugglers grew in importance when cocaine from the Andes began transiting the region in the late 1970s and early 1980s. The mostly Colombia-based organizations used the Mexican criminal organizations to receive and ship their product north where local distribution chains awaited. Initially, these were relatively small quantities, but the Mexicans’ role rose as the United States increased law enforcement activities in the Caribbean, forcing cocaine smuggling activities across the isthmus.

<sup>4</sup> Much of the following section on the evolution of Mexico’s criminal groups was part of research done for the Migration Policy Institute and the Woodrow Wilson International Center for Scholars, and appeared in a paper for these institutions entitled: “Transnational Crime in Mexico and Central America: Its Evolution and Role in Migration,” November 2012.  
<http://www.migrationpolicy.org/pubs/RMSG-TransnationalCrime.pdf>

By the early 1990s, nearly all the cocaine entering the United States was passing through Mexico, and some Mexican criminal organizations began commanding a greater share of the profits and establishing their own distribution networks in the United States. These included the beginnings of what would later become known as the Sinaloa, Tijuana, Juárez and Gulf Cartels. Initially, Mexican cartels were small, family-based organizations that depended on corrupt state security forces to provide protection from prosecution and security from rivals. However, this changed as the Mexican cartels expanded into large-scale distribution systems, their operations and profits rose. The high returns led to increased competition among the organizations, which, in an effort to protect markets and margins, began creating their own security forces. (See Figure 2)

The development of the military side of these organizations is important for several reasons. First, it represented a break from past criminal models in Mexico, which had focused on smaller, family-oriented organizations. The transformation was profound. The new paramilitary armies adopted the terminology and logic of the military and their military trainers, some of whom were foreign mercenaries.<sup>5</sup> The organizations began designating “lieutenants” to create “cells,” which included various parts responsible for intelligence gathering and enforcement. These new “soldiers” went through requisite training and indoctrination, then joined the fight to keep other cartels from encroaching on their territory. The cartels’ infrastructure grew as well. They added safe houses, communications equipment, cars, and weapons — the same type of infrastructure needed for virtually any sophisticated criminal act, from robbery to kidnapping to contraband.

**Figure 2: Evolution of Criminal Groups in Mexico**



The competition among the cartels eventually became a competition for territory or “plazas,” as they are known. In the Mexican criminal world, controlling territory

<sup>5</sup> According to one law enforcement officer interviewed by the witness, one of the trainers for the Tijuana Cartel was called “El Iraquí” for his Middle Eastern origins. Other trainers came from Mexican military and police circles, a former Tijuana Cartel operative told the witness. See also “A State Reaction: A Theory of Illicit Network Resilience,” Nathan Jones' dissertation for the University of California Irvine, 2011.

means collecting what are essentially tolls or taxes from the multiple criminal groups who operate in that territory. The so-called “piso” is a significant revenue stream, as the commanding group takes upwards of 50 percent of the value of the goods moving through its corridor for all types of activities, ranging from contraband to human smuggling to local drug trafficking. Initially, corrupt security forces controlled this part of the business, but over time, the criminal groups usurped that control.

This battle for the "plazas" meant controlling physical territory, which in turn depends on the number of soldiers a cartel maintains. In the case of the Tijuana Cartel, the Arellano Felix family began working with San Diego’s Logan Street gang, training them in weapons, tactics and intelligence gathering. The Gulf Cartel hired members of the Mexican Airborne Special Forces Group (Grupo Aeromóvil de Fuerzas Especiales, GAFES), which adopted the name Zetas in homage to the radio handle that its military commanders use. The Juárez Cartel hired current and former police officers to form what became known as La Línea and later an El Paso prison gang known as the Aztecas. The Sinaloa Cartel eventually designated a branch of their group, the Beltran Leyva Organization, to create a mini-army that it called the Pelones to deal with its rivals, but also a smattering of smaller street gangs in the areas where it operates along the border. (See Figure 3)

**Figure 3: Multiple Armed Layers of Mexico’s Criminal Organizations**

<b>Transnational Criminal Organization</b>	<b>Military Wing</b>	<b>Street Gang Alliance</b>
Sinaloa Cartel	Pelones; Gente Nueva	Artistas Asesinos; Mexicles
Gulf Cartel	Zetas	MS-13; Barrio 18
Tijuana Cartel	Remnants of Logan Street Gang	Logan Street Gang
Juárez Cartel	La Línea	Aztecas

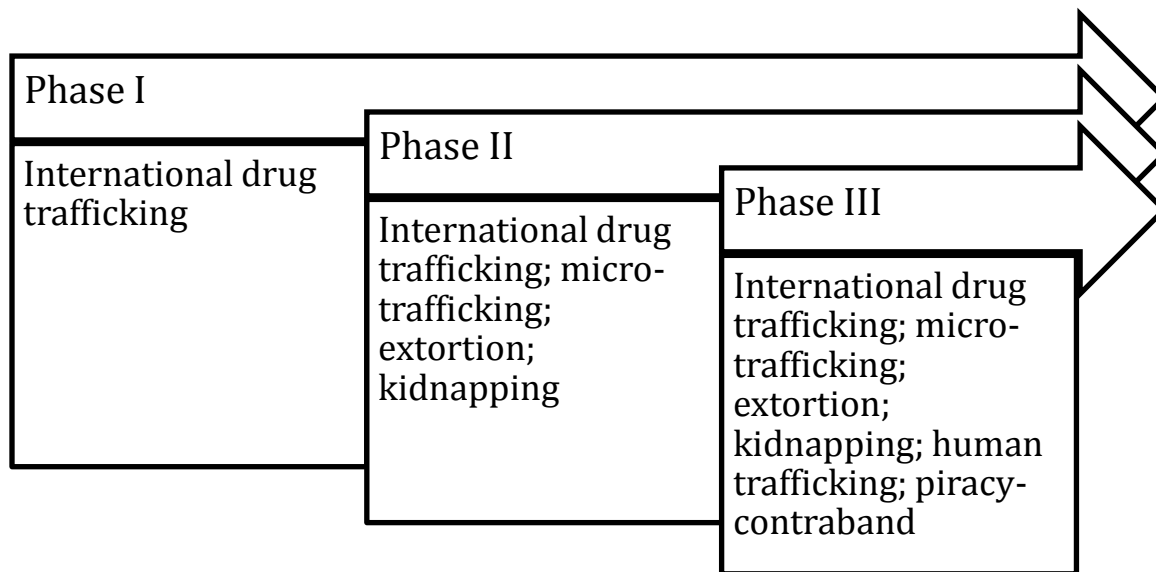
These new “soldiers” shared one common characteristic: They were not part of original, tightly knit family structures that once made up the core of Mexican criminal organizations.<sup>6</sup> In the past, Mexican criminal organizations were relatively small units, mostly relatives from the Sinaloa state where they had worked on the poppy and marijuana fields. Membership came via blood ties, marriage or

<sup>6</sup> The one exception is the Beltran-Leyva Organization. Even so, this group eventually split from the Sinaloa Cartel after the capture of one its top members who they believed was betrayed by Sinaloa leader Joaquin Guzman Loera, alias “El Chapo.”

neighborly affection, and formed the core of what became the largest criminal organizations nationwide. However, these evolving market forces required that these historically close-knit organizations professionalize and open admission to outsiders, including street gangs, in order to remain competitive. Initially, the leaders of these groups granted these “outsiders” minimal authority or discretion. Some leaders, such as Ramon Arellano Felix of the Tijuana Cartel and Osiel Cárdenas of the Gulf Cartel, directly controlled their new armies demanding personal loyalty at all costs. However, over time, this proved to be a poor model for control because as soon as the strong leader was eliminated, as in the case of Arellano Felix in 2002, or arrested, as in the case of Cárdenas in 2003, individual loyalties disintegrated and the armies began to break away from the core cartel hierarchy. With time, loyalty would become a commodity subject to dynamic market prices rather than a “family” obligation.

In addition to having problems controlling these soldiers, these new private armies were also expensive, and the leadership of these organizations began seeking ways to reduce costs while they continued to expand and professionalize them. Though evidence is scarce, reports suggest that starting in the late 1990s, the cartels gradually, reluctantly, and violently shifted financial responsibility and operational control to their lieutenants — a process that only became apparent five to six years later when Calderón took the presidency. With newfound autonomy, many cells expanded their operations beyond security services into the extortion of legitimate businesses and, later, kidnapping. (See Figure 4)

**Figure 4: The Expanding Criminal Portfolio in Mexico**



This shift in financial and operational decision-making represents a second profound change in the way Mexican cartels operate. Suddenly, instead of one centralized criminal organization, there were numerous cells demanding “piso” from criminal activities such as contraband and human smuggling and competing, often violently, for territory and markets. To cite just one example, the revenue from human smuggling is significant. According to UN estimates, human smuggling is a \$6 billion per year business in the Americas alone.<sup>7</sup>

**Figure 5: Extortion Rate in Mexico, 2000 - 2013**



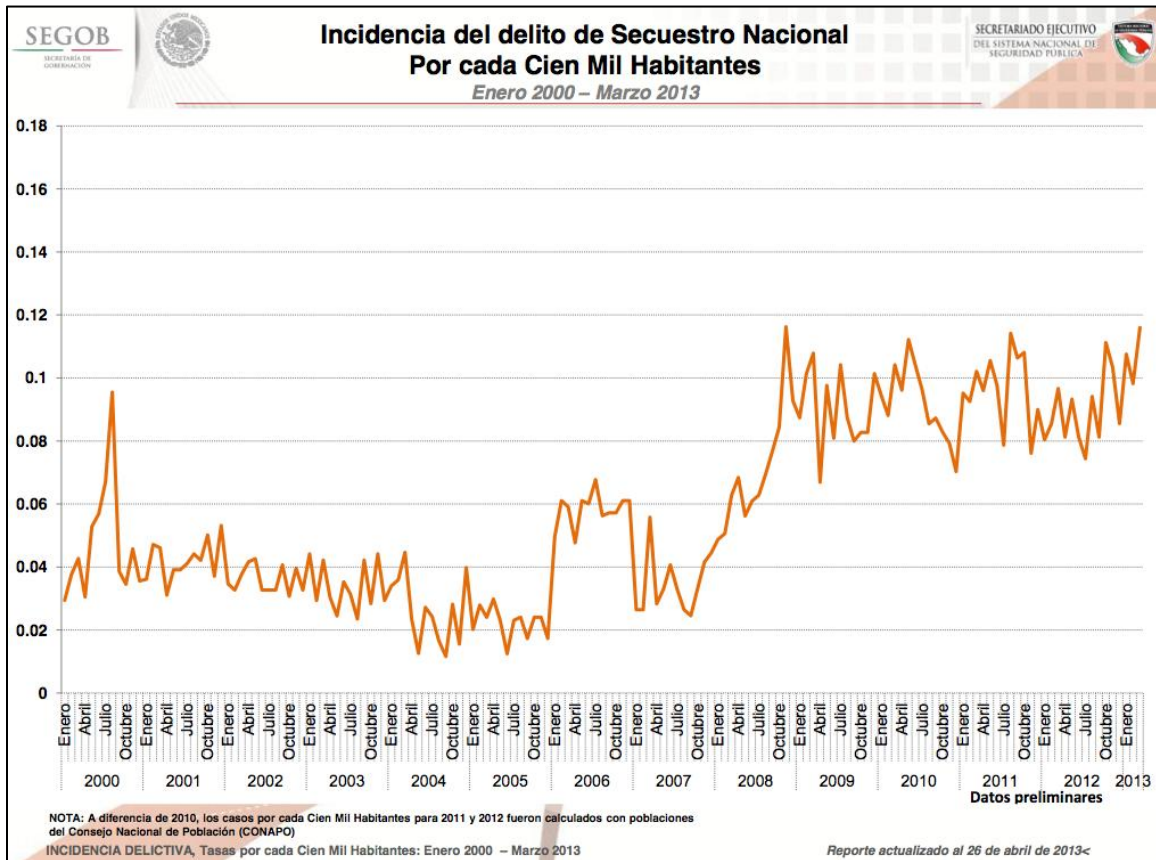
Overall, the need to control territory and create a vast protection scheme for the leadership of these organizations changed them on many levels. It led directly to the creation of a more militarized organization with a new mindset that focused on occupying vast amounts of physical space. This led to rapid growth that changed the financial structure of the group tremendously. What were relatively simple, tightly knit family units became multi-layered armies with increasing autonomy to delve into multiple criminal activities such as human smuggling, contraband, extortion,

<sup>7</sup> United Nations Office on Drugs and Crime (UNODC), *The Globalization of Crime: A Transnational Organized Crime Threat Assessment* (Vienna: UNODC, 2010), [www.unodc.org/unodc/en/data-and-analysis/tocta-2010.html](http://www.unodc.org/unodc/en/data-and-analysis/tocta-2010.html).

piracy, kidnapping and other criminal activities. It also allowed for the entry of personnel whose loyalties were less connected to the top. The new, decentralized system worked as long as a strong person remained as its leader. However, as soon as that leader was eliminated, the organization inevitably began to break apart and in many instances violence flared among competing factions.

This evolution has played out over the last decade, particularly during the time after Calderón took power in 2006 because at least one of his strategies accelerated this process. Upon taking office, Calderón made these organizations' leaders his principal targets. The so-called kingpin strategy was designed as one of the means to reduce these criminal groups from a national security threat to a problem of law and order. From the beginning, Calderón depended heavily on the military to implement this plan. Using the army, navy and federal police, his government captured or killed 25 of the 37 of top leaders. But the kingpin strategy had a negative impact as well as it seemed to accelerate the fragmentation of these organizations and led to spikes in violence in the areas where these organizations operated.

**Figure 6: Kidnapping Rate in Mexico, 2000 - 2013**







Without central authority and with steadily rising revenue streams coming from their local criminal activities, many of these armed groups have subsequently broken from their progenitors, including major segments of the Gulf Cartel, the Sinaloa Cartel, the Tijuana Cartel, and the Juárez Cartel. Authorities still regularly refer to the largest groups by name as a means of making sense of the mayhem, but the reality is much more complicated on the ground. InSight Crime, for instance, recently counted 28 criminal groups in Mexico; the Attorney General of Mexico said there were 80.<sup>8</sup> These groups also often contract smaller criminal units, usually gang members, thus further complicating the situation and making our job of dissecting the chaos more difficult.

In sum, we have tiers of groups with a wide range of sophistication and interests. On the top are groups like the Sinaloa Cartel, one of the few organizations that remains focused on international drug trafficking and has developed a highly sophisticated distribution network that depends on contracted transport groups, enforcement organizations and corrupt officials. In the middle tier, we have groups like the Zetas. As we shall see, this organization has a much wider portfolio of criminal interests; its revenue depends on controlling territory via horrific acts of violence, intelligence gathering and the implementation of military tactics. At the bottom, we have street gangs. These gangs can be contracted by other groups such as the Zetas or the Sinaloa Cartel, but they can also, and do, operate on their own.

### **Juárez: A Cause for Hope?**

During the Calderón administration, Ciudad Juárez became the symbol of Mexico's pain and one of the most violent in the world. Between 2007 and 2011, it went from about 300 homicides to over 3,500. The causes of this violence were numerous. At the surface was a battle between some of the largest criminal groups, the Sinaloa Cartel and the Juárez Cartel. But beneath that battle is a struggle amongst corrupt officials and, as illustrated earlier, a vicious fight between the multiple layers of criminal groups who had aligned themselves with the larger organizations but were also fighting over local revenue streams.

The astounding spike in violence during that period has been matched only by the surprisingly precipitous drop in homicides, which is back down to about one per day. While this is still very high, the situation in Juárez now seems manageable. Other crimes, such as extortion, kidnapping and car theft, have also dropped dramatically. Complaints of extortion are one-third of what they were 18 months ago. Kidnapping is reportedly at one-quarter of what it was at its peak.

There are many ways to explain this drop. The most cited explanation is that, in the war between the two largest criminal groups that has ravaged the city over the last several years, one emerged as the winner: the Sinaloa Cartel. In this narrative, this

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<sup>8</sup> InSight Crime, "Mexico Has 80 Drug Cartels: Attorney General," December 20, 2012. <http://www.insightcrime.org/news-analysis/mexico-has-80-drug-cartels-attorney-general>



criminal group is maintaining order in the underworld, something that seems like an oxymoron and hardly sustainable.

But in Juárez, the government and Juárez citizens also took action that impacted violence and offer some lessons learned. Following the tragic shooting of 15 teenagers in January 2010, in what appears to have been a case of mistaken identity, the federal government and citizens created a series of citizen-led roundtables to deal with the violence. The program was part of a larger initiative aptly named, “Todos Somos Juárez,” (We are all Juárez), a multi-million dollar educational and violence prevention strategy of the type the US government already assists under Pillar IV of the Merida Initiative.

Amongst the roundtables one was centered on security issues. The so-called “Mesa de Seguridad” (Security Round Table) is, in essence, a place for citizens to interact with government officials.<sup>9</sup> These interactions occur during regular meetings between the two. These meetings happen in hotels or government offices that can accommodate large groups. The citizens manage the meetings, controlling the agenda, minutes, facilitation and other aspects. Each meeting begins with crime indicators. Then they go through, one-by-one, the accords they have reached with the government on security issues to check on the status of these accords. In order to facilitate the work, the Mesa is broken down into 14 committees: crime indicators, public trust, Emergency Response Center, car theft, kidnapping and extortion, to name just a few. These committees meet monthly.<sup>10</sup>

The Mesa has engendered informal contact and better relations with regards to specific criminal activity. One member says he talks on the telephone with police on a daily basis and interacts via email with the Attorney General’s Office, the state prosecutor and a US security consultancy. Sometimes these interactions are related to specific cases. Initially, these were kidnapping cases. Now they are more related to extortion. In many of these cases, Mesa members serve as intermediaries between the security forces and the victims. This is because the victims still do not trust the security forces. They do, however, trust the Mesa members.

The Mesa has had more indirect than direct results. Its specific programs include Crime Stoppers, which later stalled because the current mayor stopped funding it,<sup>11</sup> and a crime database. Efforts to improve the “9-1-1” emergency system failed. The newly created “Citizens Defense Committee” – which was designed as a way to channel information of abuses by security forces directly to their superiors – still has no direct line of communication with the municipal or the state police. In terms

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<sup>9</sup> This section on the “Mesa de Seguridad” is part of a Woodrow Wilson Center study on the effectiveness of civil society interaction with the government on security issues in four cities: Monterrey, Ciudad Juárez, Tijuana and Nuevo Laredo. It will be published in the coming weeks as part of a larger study on the issue.

<sup>10</sup> Arturo Valenzuela, interviewed by the witness, September 25, 2012.

<sup>11</sup> Miguel Fernández Iturriza, interviewed by the witness, September 24, 2012.



of campaigns, perhaps the most successful has been the effort to get Juárez citizens to place license plates on their cars. Authorities say the city went from 40 percent without plates to 7 percent in just two years.<sup>12</sup>

The main result of the regular interaction between government and civil society, Mesa participants say, has been the resolution of specific cases, especially kidnapping and extortion cases, in which suspects have been arrested, tried and jailed. These direct interactions have resolved more than a hundred kidnapping cases and many more cases of extortion. The positive results of these civilian-government interactions have given other Juárez businesses more confidence to go to the security forces with their problems, leading to more arrests and greater security, Mesa participants say.

These security forces include the city's police chief, Julian Leyzaola, who is also a Mesa participant. Leyzaola's arrival in March 2011 coincided with the dramatic drop in crime and homicide levels, and many give him credit for the turnaround. Leyzaola, a retired lieutenant colonel, has spent his tenure pushing police onto the streets, where they arrest anyone whom they see as a threat. In January 2011, the police arrested 1,462 people for suspected misdemeanors. In July 2012, that number was 13,568.

Some say these mass incarcerations are a systematic violation of human rights. Many of those detained pay fines for violations such as failure to carry proper identification. Others lose a half-day's work. The result, say critics of Leyzaola, is that people are turning against the municipal government's security plan. The police do not hide their aggressive stance. Some police told InSight Crime they were in the "attack" ("choque") phase. They believe that it can help them revive morale, belief in the institution, and respect from the populace and criminals alike.

"The police cannot become too nice just yet," one policeman, who was not authorized to speak on the record, told InSight Crime. "We are capturing killers. They don't think about human rights."

Finally, it is worth noting that increased cooperation between the US and Mexican law enforcement has also played an important role in the battle for Juarez. US and Mexican investigators from both sides of the border told the witness that they were cooperating on a more regular basis since Merida began. These included formal and informal means of cooperation and, in some instances, meant the passing of actionable intelligence. Agents on both sides said this cooperation has led to real results, including arrests on the Mexican and US sides of the border.<sup>13</sup>

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<sup>12</sup> Mesa de Seguridad, "Comunicado de Prensa Periódico Norte de Ciudad Juárez 10 Marzo del 2012," March 13, 2012. <http://www.mesadeseguridad.org/?p=657>

<sup>13</sup> This is part of an ongoing research project on cooperation the witness is doing with American University that is funded by the National Institute of Justice.



Whether due to a criminal group imposing its will, the Mesa's efforts, the police's mass incarcerations, or increased cooperation on both sides of the border, Juárez shows that to gain ground on criminal groups there is a need for a combination of initiatives, some of which also fall under the rubric of the Merida Initiative.

Arguably, the most important is that of reforming the police. Mexico's police have long been a critical component of criminal activity in Mexico. They serve as spies, assassins, weapons providers and escorts, among other services. The process of purging and restocking them has been slow and painfully bureaucratic. Of the close to 50,000 police that were deemed unfit via background checks, lie-detector tests and other procedures during the Calderón administration, 80 percent are still technically working as police officers around the country.<sup>14</sup> This is largely due to the fact that failing these tests is not yet a fireable offense in many Mexican states.

Attempts by Chihuahua and Juárez police to restock their ranks with new recruits illustrate the difficulties and fragile nature of the process going forward. The Juárez police recently graduated its first class of recruits since Leyzaola's arrival in March 2011. Of the 3,000 applicants, 100 passed the battery of obligatory mental aptitude, psychological and polygraph tests. Of those, 81 made it through basic training. On a national level, Mexican government officials are more optimistic. They told InSight Crime that one in five candidates make it through entry-level tests and basic training.

### **Nuevo Laredo: The New Epi-center**

Police reform cannot come fast enough for places like Nuevo Laredo, a place that has gone in the opposite direction of Juárez in terms of security. The city has been without a police force since 2011, when the government disbanded the force because it considered it an extension of the Zetas criminal organization. The Zetas leader, Miguel Treviño, is from Nuevo Laredo, which has been the group's headquarters since at least 2004. Under Treviño's watch, the city has become one of the most dangerous in the world. Last year, the municipal government recovered in the range of 550 bodies, according to official sources close to the municipal government, which would put it in a league with Juárez during its most difficult years in per capita terms. Since 2005, four municipal security chiefs have either been killed or disappeared, the most recent one earlier this year.

The Zetas value Nuevo Laredo because it is the Mexico-US border's most important commercial crossing point. Between 10,000 and 12,000 cargo trucks cross the border each day, or an estimated 60 percent of all truck traffic that crosses the border. Another 14,000 passenger cars and 1,000 railroad cars join that truck traffic daily to make Laredo – Nuevo Laredo by far the more important commercial crossing point along the 1,951 mile border equal to about \$500 million in daily

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<sup>14</sup> InSight Crime, "80% of Unfit Police Still Working in Mexico," November 7, 2012. <http://www.insightcrime.org/news-briefs/80-unfit-police-working-mexico>



trade. The city also connects Mexico to Interstate 35, one of the United States' most important arteries. I-35 splits the US in two and connects to the east-west arteries that dissect the US into a grid of vast proportions. The city is the crossing point for most traffic coming and going between Mexico City and Monterrey, and the border via Mexico Federal Highway 85.

The Zetas represent perhaps the current government's most formidable challenge and its unstated "public enemy number one." In part, this has to do with the Zetas' massive expansion around Mexico. A recent Harvard study shows that since 1999, the Zetas have operated on average in 33 new municipalities every year.<sup>15</sup> They are the only one that operates in 350 Mexican municipalities, as well as numerous others in Guatemala and Central America. The second most expansionist group, the Gulf Cartel, expanded by 19.7 new municipalities during the same time period. By 2010, the Zetas operated in 405 municipalities, 161 more than the Gulf Cartel, and it was 2.3 times larger than the Sinaloa cartel.

Explaining how the Zetas were able to achieve this expansion is more difficult. Most analysts have focused on form. From the beginning, the Zetas seemed fearless and were distinctively cruel towards their enemies. They quickly became synonymous with torture and beheadings, mangled piles of bodies and horrifically bloody scenes in public spaces. They did not seek allies. They sought domination. They did not defeat their enemies. They destroyed them.

However, the Zetas are different in another, more important way, which is what makes them such a formidable challenge: they have never looked at themselves as a drug trafficking operation. They have always been a military group whose primary goal is to control territory. In essence, the Zetas understood something the other groups did not: they did not need to run criminal activities in order to be profitable; they simply needed to control the territory in which these criminal activities were taking place.

To be sure, unlike the group's progenitors the Gulf Cartel – who earn most of their profits from the international export of drugs, and thus concentrate their finances, the know-how and the contacts at the top levels of leadership – the Zetas follow an entirely different financial model. According to a recent book on the Zetas, "The Executioner's Men," by Sam Logan and George Grayson, only 50 percent of the Zetas' revenue is from cocaine trafficking (InSight Crime believes it is even less.) The rest comes from Zetas' low-level criminal activities – extortion, kidnapping, theft, piracy and other licit and illicit activities.

And since a large portion of the Zetas' revenue streams come from the bottom and local sources, rather than the top and international sources, this makes it more

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<sup>15</sup> Coscia, Michele, and Viridiana Rios. "Knowing Where and How Criminal Organizations Operate Using Web Content." CIKM, 2012.  
[http://www.gov.harvard.edu/files/CosciaRios2012\\_WhereHowCriminalsOperate.pdf](http://www.gov.harvard.edu/files/CosciaRios2012_WhereHowCriminalsOperate.pdf)



likely that local Zetas cells see how these businesses work and how much money is being pocketed by this hard work. The barriers to entry into these businesses are minimal: The infrastructure needed to manage them is already there; and the wherewithal to recruit and operate on the local level already exists. The result is that a mid-level commander will be more likely to break away from his bosses simply because he can.

This is arguably what makes the Zetas' model of organized crime different and more menacing than the older, traditional cartels. Cartels who earn most of their revenue through international drug exports essentially cannot run their business without the international contacts necessary to do so. But in the Zetas' case, because of their revenue comes from local criminal activities that can be practiced anywhere and by virtually anyone, they have created the ultimate "democratic" model of organized crime. It is a model that can be easily replicated across Mexico, and is inherently vulnerable to suffering internal splits.

This different outlook changed what they saw as propitious territory and propelled their need to expand. The Zetas, for example, sought new markets, areas that had traditionally a role in drug trafficking or major criminal activity. Out of the total of municipalities in which Zetas have operated since their onset, the Harvard study showed that 381 were previously a territory of another criminal organization. The closest cartel to Zetas is Gulf, a cartel that operated in 325 municipalities held by others, followed by Familia with 260.

This expansionist nature and easily replicable model has put them at odds with many other criminal groups and the government and led to numerous spikes in violence over the years. The Zetas and their former progenitors, the Gulf Cartel, are battling for long stretches along the US-Mexico border, including Nuevo Laredo. The group is also fighting with other cartels, most notably Sinaloa, in various states. The group is at the center of much of the turmoil and is a large reason why the current administration will have trouble slowing the violence.

### **The Peña Nieto Administration's Security Policy**

It in this context that new President Enrique Peña Nieto entered the presidency, so it is fitting that he has said he will focus his efforts on reducing violence. But since taking office in December, the president has given only a broad outline of how he will achieve this goal. These plans include prevention programs and a special unit, or Gendarmerie, to be dispatched to Mexico's hotspots. He has promised more coordination, and a reformed police and judicial system. And he has said there will be more emphasis on human rights.<sup>16</sup> He also dissolved the Secretariat of Public Security (SSP), the most important conduit for US assistance and cooperation via the Merida Initiative.

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<sup>16</sup> Presidency of Mexico, "Mexico en paz," December 17, 2012. <http://www.presidencia.gob.mx/mexico-en-paz/>



The SSP's functions were assumed by the Interior Ministry, which now manages security policy and will be the single conduit through which Merida funds will pass. In some quarters, this centralization of power is a welcome change from the Calderón administration in which there was at times confusion of who was making the final decisions. But for others, this represents a step backwards in relations and adds layers of bureaucracy that will make it harder to foster the regular and informal contact that some mid-level managers enjoyed during the previous administration and that led to some of the "shared cooperation" sought under Merida.

Peña Nieto has also spent much of his time trying to change the narrative about criminal activity in Mexico. He and his communication's team have limited their public statements on the fight against organized crime and instead have focused on selling this as "Mexico's Moment." While there are some positive economic indicators and immigration appears to be continuing its downward trajectory because of these gains, there is little indication the criminal groups have slowed their violent ways. In fact, violence has continued apace, even if the government does not want to admit it.<sup>17</sup> To be sure, the government has shut down many avenues of communication and access to information, even for the US government, has been limited. To cite just a couple of examples: a recent freedom of information request on criminal activity by the local press was denied from a request would have been a routinely fulfilled under the Calderón administration; and, following an explosion at the government petroleum company Pemex in January that killed 37 people and injured over 100, US bomb investigators were not allowed to reach ground zero to inspect suspicions that perhaps there was some foul play.<sup>18</sup>

At the same time, the government has yet to, in any great detail, outline exactly how this administration's strategy will be different in substance from the Calderón administration's strategy. In some respects, it feels the same. Peña Nieto has, for the most part, left army troops and federal police in many of the same hot spots where Calderón used them. He has said that he will continue efforts to purge and restock the police. He appears willing to continue reforming the justice system, although both police and judicial reform seem to be stalling already under his administration.

Amongst the more subtle shifts in policy, the role of these army troops appears to be changing. To begin with, Peña Nieto has reduced the role of the Marines by some 40 percent.<sup>19</sup> The Navy, during the Calderón administration, became one of the US government's chief allies, helping kill or capture some of the most notorious kingpins, including Arturo Beltran Leyva, during a famous shootout in 2009. The

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<sup>17</sup> InSight Crime, "Don't Get Confused About Mexico's Death County," February 13, 2013.

<http://www.insightcrime.org/news-analysis/mexico-homicides-statistics-2013-pena-nieto>

<sup>18</sup> InSight Crime, "Pemex Blast Opens Questions about Mexico Govt Transparency," February 21, 2013. <http://www.insightcrime.org/news-analysis/pemex-blast>

<sup>19</sup> InSight Crime, "Use of Mexico's Marines in Drug Ops Down 40% Under Peña Nieto," April 10, 2013. <http://www.insightcrime.org/news-briefs/marines-drug-operations-down-40-under-pena-nieto>



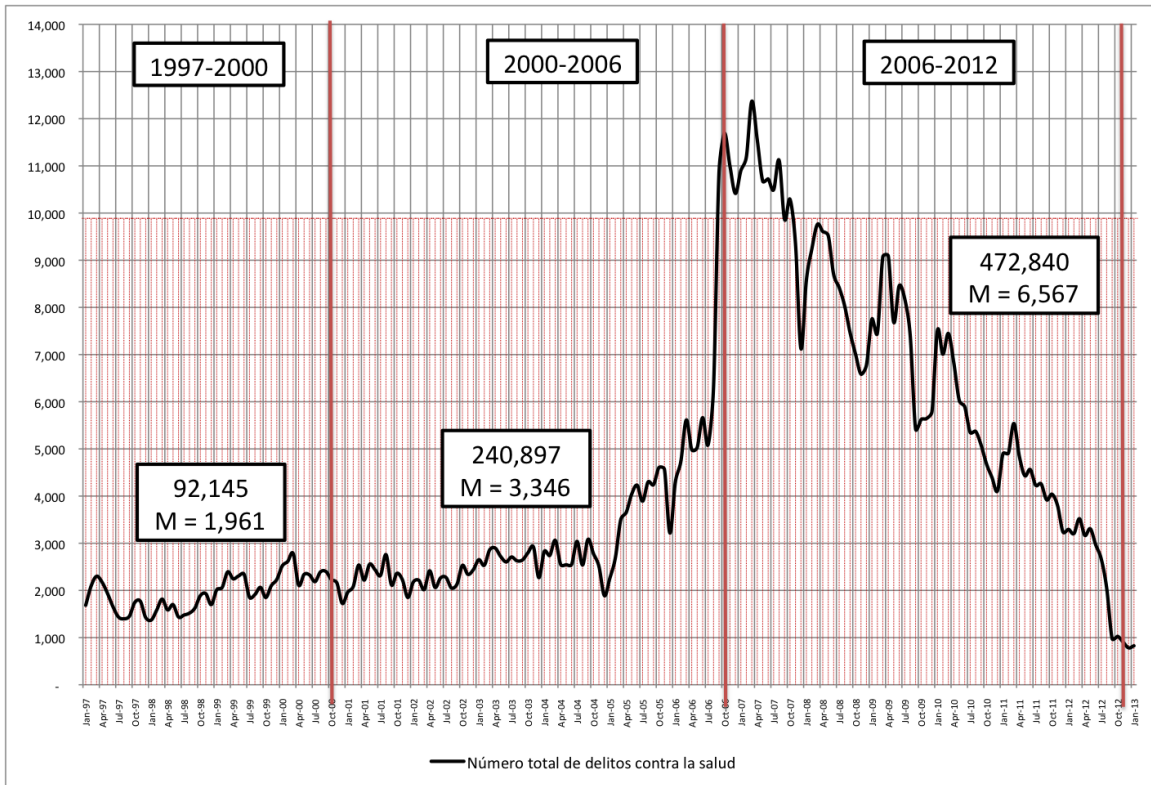
army's role also appears to be shifting, although evidence of this shift is more anecdotal than quantitative. Sources in two high conflict areas tell InSight Crime that army patrols and roadblocks have been reduced. "The order is to slow down," one colonel from a high conflict zone told InSight Crime.

In theory, the Gendarmerie would replace the army and navy in conflict zones, or at least compliment them. The administration has said it would consist of 40,000 specially trained members, most of them taken from the ranks of the military. However, there are several legal and procedural hurdles that the administration would have to clear and has yet to even propose. What's more, the criteria for use of this force and what legal measures it will have at its disposal have yet to be considered. The reasons for creating this "shock troop" may be noble but superfluous. Mexico already has tremendously competitive security forces and fostering coordination amongst them has been a major obstacle to success in fighting criminal groups.

In another subtle shift under Peña Nieto, the Attorney General's Office has reduced the number of drug prosecutions to a 15-year low. (See Figure 7) To be fair, what are technically called "crimes against health" were already dropping during the last months of the Calderón administration, but the contrast between the number of cases opened by the Attorney General's Office at the onset of the Calderón administration and at the onset of the Peña Nieto administration illustrates the stark difference in approach between the two governments. While Calderón tried to "bully" his way toward a more manageable security situation, Peña Nieto appears more interested in taking a selective approach and possibly reducing the pressure on criminal groups involved in drug trafficking as a way to lower the temperature of this confrontation.



**Figure 7: “Crimes against health” Cases Opened, 1997 - 2013**



(Source: Secretaría de Gobernación)



## **Recommendations**

There are two arenas in which the United States plays: one is practical and the other is political. The reality of the Merida Initiative is that, while important, it does not represent a significant amount of the Mexican security budget. In fact, it is on the order of 3 to 5 percent of the national security budget in that country. Still, it has much political impact and influence in security policy. And this political influence may outsize its actual monetary contribution. My recommendations will therefore be broken down by these two categories: the practical and the political.

### **Practical Recommendations**

1) Push to keep momentum on judicial and police reform. These are the cornerstones of more security in Mexico. They cannot be abandoned. There must be a more effective, trustworthy police on a local level in order for there to be security. Equally important is pushing for continued judicial reform. This reform is focused on shifting the justice system from the closed-door, written system to the oral, accusatorial system. However, this is a slow, multi-year process. Stay the course.

2) Increase assistance to civil society, violence prevention, education, job training. This is the type of long-term funding that is often forgotten or given short-shrift on the local level. And, as we can see from the Juárez example, there are side benefits that we cannot predict or always direct, but we can support. This also includes supporting the free press. While I did not touch on it in much detail, this part of Mexican society is under full-scale assault by both criminal groups and the government. A free, vibrant press is a major counterbalance to these criminal groups and an overreaching government.

3) Help implement best practices and controls for military intervention in civilian law enforcement situations. The military in Mexico has proven to be a useful stopgap and, in some situations, spearhead in the fight against organized crime. But the institution remains largely unprepared for the issues involved in fighting crime, namely the transparency needed and demanded of an organization that is interacting constantly with civilians. Make the military who are participating in the front lines of these battles implement safeguards and best practices from the years of lesson-learned around the world.

4) Support the development of intelligence gathering and operational capacities. While the kingpin strategy often gets blamed for the proliferations in violence, we cannot lose sight of the benefits of this process. We need to continue to help develop and implement, where possible, actionable intelligence. Kingpins are not just operators, they are symbols of impunity, lawlessness, and in some cases become factors of instability. Part of slowing crime is creating the impression that the life span of a criminal is short and costly. Pushing the Mexican government along this



continuum of creating powerful intelligence gathering services that have counterparts who can implement this knowledge is arguably a critical first step.

### **Political Recommendations**

1) Support the shift in strategy and priorities. The seeming shift away from capturing and/or killing major drug trafficking groups is a reflection of the sense that this confrontational strategy has come at a large and perhaps unnecessary cost for the Mexicans. They, like us, are interested in lowering the levels of violence, first and foremost. This is a laudable goal that may involve the type of trade-off that in the United States we have become used to; perhaps we need to change our definition of “kingpin” to mean “most violent,” in order to support this lateral movement. Support these shifts, as long as they do not undermine the institutional development outlined in the practical section.

2) Support the continued cooperation on the mid and lower levels across borders. These are the hidden gems in the Merida Initiative. They tend to happen in informal meetings and gatherings. They are critical to fostering long-term relations and a sense of shared responsibility that will make this fight come a lot easier down the road.

3) Less is more. There is a sense that the United States tries to do too much. We think we can resolve everything. Perhaps what this question warrants is a more focused effort. Find what works and make it a beacon.

4) Quality of life. Perhaps our goals should be about quality of life and safety, rather than number of people who are arrested or prosecuted. In my experience, these people who we want to support want to do their jobs in an independent manner – without undo political influence – and they want to feel that they and their families are safe. Support that, and it will not matter as much whether they are in a Gendarmerie or a municipal police force, or whether they are working in a written or an oral justice system.

Thank you. I look forward to your questions.

END OF TESTIMONY