



# **Department of Justice**

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**STATEMENT FOR THE RECORD OF**

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**BEFORE THE**

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UNITED STATES SENATE**

**ENTITLED**

**“DRUG TRAFFICKING VIOLENCE IN MEXICO: IMPLICATIONS FOR  
THE UNITED STATES”**

**PRESENTED**

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**Statement of  
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**“Drug Trafficking Violence in Mexico: Implications for the United States”  
U.S. Senate Caucus on International Narcotics Control**

**INTRODUCTION**

Chairman Feinstein, Co-Chairman Grassley, and distinguished Members of the Caucus, on behalf of Drug Enforcement Administration (DEA) Acting Administrator Michele Leonhart and Federal Bureau of Investigation (FBI) Director Robert S. Mueller, III, we appreciate your invitation to testify today regarding violence in Mexico and its implications for the United States. The Department of Justice law enforcement agencies have outstanding relationships with law enforcement agencies on both sides of the border. With the assistance of our counterparts, the Department strives to coordinate investigative activity and develop intelligence in order to efficiently and effectively manage law enforcement efforts with the goal of identifying, infiltrating, and dismantling drug trafficking organizations that are directly responsible for the violence in Mexico.

The DEA, in conjunction with the FBI, has been at the forefront of U.S. efforts to work with foreign law enforcement counterparts in confronting the organizations that profit from the global drug trade. The Department recognizes that in order to effectively attack the international drug trade it has to forward deploy its personnel into the foreign arena. DEA has the largest federal law enforcement presence overseas. DEA has 83 offices in 62 countries and works with host governments in assessing drug threats, gathering intelligence, targeting major drug trafficking organizations (DTOs), and, in coordination with the Department of State, assisting host governments in developing comprehensive counternarcotics strategies. The FBI has a Legal Attaché office in Mexico City which works closely with counterparts, shares intelligence and coordinates international investigations. In addition, the FBI has Border Liaison Officers who travel to Mexico on a weekly basis to coordinate with law enforcement partners.

**THE SOUTHWEST BORDER**

The Southwest Border (SWB) of the United States is the principal arrival zone for most of the illicit drugs smuggled into the United States, as well as the predominant staging area for the drugs’ subsequent distribution throughout the country. According to El Paso Intelligence Center (EPIC) drug seizure data, most of the cocaine, foreign-source marijuana and methamphetamine, and Mexican-source heroin available in the United States is smuggled into the country across the SWB. The SWB is particularly vulnerable to drug smuggling because of the enormous volume

of people and goods legitimately crossing the border between the two countries every day. Moreover, large sections of the nearly 2,000-mile land border between Mexico and the United States are both vast and remote, and this provides additional smuggling opportunities for Mexican DTOs. Once at the border, Mexican traffickers use every method imaginable to smuggle drugs into this country including aircraft, backpackers, couriers, horses and mules, maritime vessels, rail, tunnels, and vehicles.

In response, the DEA and FBI, in cooperation U.S. Immigration and Customs Enforcement (ICE), U.S. Customs and Border Protection (CBP) and other federal, state, local, and foreign counterparts, are attacking these organizations at all levels. The disruption and dismantlement of these organizations, the denial of proceeds, and the seizure of assets significantly impacts the DTOs' ability to exercise influence and to further destabilize the region. Key to DEA and FBI operational success is the collection and sharing of intelligence, which is made possible and enhanced through EPIC, DEA's Special Operations Division (SOD), the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, and DEA's and FBI's participation in the Intelligence Community. In short, guided by intelligence, DEA and the FBI are working diligently on both sides of the border to stem the flow of illicit drugs and assist the Government of Mexico (GOM) in breaking the power and impunity of the drug cartels.

## **THE SCOPE OF DRUG TRAFFICKING ON THE SOUTHWEST BORDER**

Prior to addressing Mexico's security situation, it is important to have a clear picture of the illicit drug-trafficking industry within Mexico as it relates to the United States. No other country in the world has a greater impact on the drug situation in the United States than does Mexico. The influence of Mexico on the U.S. drug trade is truly unmatched: the result of a shared border; Mexico's strategic location between drug-producing and drug-consuming countries; a long history of cross-border smuggling; and the existence of diversified, poly-drug, profit-minded DTOs. Each of the four major drugs of abuse – marijuana, cocaine, heroin, and methamphetamine – are either produced in, or transshipped through, Mexico before reaching the United States. The vast majority of bulk currency interdicted within the U.S. is derived from drug trafficking activities. It is estimated that approximately 18-39 billion dollars annually is moved from the interior of the U.S. to the Southwest Border on behalf of Mexican and Colombian DTOs. Thus, billions of U.S. dollars are sent back to Mexico annually. From the Mexican perspective, the flow of vast sums of money engenders corruption. The strategic consequence of the continuous seeping of illicit proceeds into the Mexican economy discourages the long-term growth of – indeed even the incentive to sustain – legitimate businesses and institutions.. For all of these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug-trafficking.

*Heroin* - Mexico is an opium poppy-cultivating/heroin-producing country. While Mexico accounts for only about six percent of the world's opium poppy cultivation and heroin production, it is a major supplier of heroin to abusers in the United States, particularly in regions west of the Mississippi River. It has been alarming to note that Mexican black tar and brown heroin has appeared increasingly in eastern-U.S. drug markets over the past several years. According to DEA's Heroin Signature Program (HSP), Mexico was identified as the source country for 39 percent of the samples classified under the HSP during 2008, the largest

representation of Mexican-source heroin in the United States in the past 20 years. We assess with high confidence that Mexican cartels are seeking to maximize revenues from an industry that they control from production through distribution.

*Marijuana* - Mexico is the number one foreign supplier of marijuana abused in the United States. In fact, according to a 2008 inter-agency report, marijuana is the top revenue generator for Mexican DTOs – a cash crop that finances corruption and the carnage of violence year after year. The profits derived from marijuana trafficking – an industry with minimal overhead costs, controlled entirely by the traffickers – are used not only to finance other drug enterprises by Mexico’s poly-drug cartels, but also to pay recurring “business” expenses, purchase weapons, and bribe corrupt officials. Though the GOM has a robust eradication program, many of the military personnel traditionally assigned to eradicate marijuana and opium poppy have recently been diverted to the offensive against the cartels.

*Methamphetamine* - Mexico is also the number-one foreign supplier of methamphetamine to the United States. Although the Mexican government has made enormous strides in controlling – even banning – the importation of methamphetamine precursor chemicals such as ephedrine, pseudoephedrine, and phenyl acetic acid, Mexican methamphetamine-producing and trafficking organizations are proving to be extremely resourceful in circumventing the strict regulatory measures put in place by the Calderon Administration. As with heroin, there is considerable financial incentive for the Mexican DTOs to sustain a trade they control from manufacture to distribution and, in fact, Mexican authorities seized more methamphetamine labs in 2009 – 210 – than in the five previous years combined.

*Cocaine* - Mexico’s importance in the cocaine trade cannot be overstated. Since the 1980s, Mexico has served as a primary transportation corridor for cocaine destined for the United States. While Mexico is not a coca-producing country and therefore cannot control the trade from beginning to end, traffickers in Mexico have managed nonetheless to exert increasing control over the trade in exchange for shouldering the greater risk inherent in transporting the cocaine and ensuring its distribution in the United States. In recent years, Mexican trafficking organizations have extended their reach deep into South America to augment – or personally facilitate – cooperation with Colombian sources of supply, or to develop relationships with alternate sources of supply in other cocaine-producing countries, particularly Peru. Demonstrating an even further reach into global cocaine markets, Mexican drug traffickers have evolved into intermediate sources of supply for cocaine in Europe, Australia, Asia, and the Middle East. More important for our discussion today, Mexican DTOs dominate the wholesale distribution of cocaine and other drugs of abuse throughout the U.S.

Current estimates suggest that approximately 93 percent of the cocaine leaving South America for the United States moves through Mexico. In just the past year, however, more cocaine – about 60 percent of the 90 percent, according to inter-agency estimates – stops first in a Central American country, before onward shipment to Mexico, than at any time since the inter-agency began tracking cocaine movement. This trend suggests that the Calderon Administration’s initiatives, particularly those related to port security and the tracking of suspicious aircraft, are having an impact on how the cartels do business, requiring them to take the extra – and ostensibly more costly and vulnerable – step of arranging multi-stage transportation systems.

Changes in cocaine movement patterns are not the only measurable trend. Beginning in January of 2007 – immediately after the Calderon government was installed – the price per gram of cocaine in the United States began to rise, with a correlative drop in cocaine purity. We are now in a 36-month sustained period of declining purity and increasing price in nearly every major cocaine market in the United States. During this period, we have seen prices increase by almost 72 percent and purity fall by nearly 33 percent.

## **VIOLENCE IN MEXICO: STATISTICS AND CAUSES**

While it may seem counterintuitive, the extraordinary level of violence in Mexico is another signpost of successful law-and-order campaigns by military and law enforcement officials in Mexico. The violence in Mexico can be organized into three broad categories: intra-cartel violence that occurs among and between members of the same criminal syndicate, inter-cartel violence that occurs between rival groups, and cartel-versus-government violence. It is important to note that intra- and inter-cartel violence have always been associated with the Mexican drug trade. DEA and FBI assesses that the current surge in violence is driven in large measure by the GOM's proactive actions against the traffickers, along with other variables, such as cartel on cartel violence.

The drug trade in Mexico has been rife with violence for decades, though the level and the severity of violence we are seeing today is unprecedented. Without minimizing the severity of the problems we are confronted with today, it is nonetheless critical to understand the background of the “culture of violence” associated with Mexican DTOs and the cyclical nature of the “violence epidemics” with which Mexico is periodically beset. We do not have to go very far back in history to recall the cross-border killing spree engaged in by Los Zetas operatives in the Laredo-Nuevo Laredo area during 2004-05. But one thing must remain clear in any discussion of violence in Mexico, or violence practiced by Mexican traffickers operating in the United States: drug gangs are inherently violent, and nowhere is this more true than in Mexico, where Wild West-style shootouts between the criminals and the cops, and/or elements of opposing trafficking groups is far too common. Since 2007, there have been over 22,000 drug-related murders in Mexico, as reported by the Mexican Attorney General's office.

We cringe at news stories detailing the arrest of a “pozolero” (stew-maker), a killer who disposes of his victims' body parts in barrels of acid, or the discovery of a mass grave containing the remains of countless victims decomposing under a layer of lime. But these and other gruesome tactics are not new. What is both new and disturbing are the sustained efforts of Mexican DTOs to use violence as a tool to undermine public support for the government's counter-drug efforts. Traffickers have made a concerted effort to send a public message through their bloody campaign of violence. They now often resort to leaving the beheaded and mutilated bodies of their tortured victims out for public display with the intent of intimidating government officials and the public alike.

Particularly worrisome are those tactics intended to intimidate police and public officials, and law-abiding citizens. The intimidation of public and police officials through violence or the threat of violence has a more insidious side. Not all corruption is a clear cut, money-for-

cooperation, negotiation: the intimidation of officials, threats against their lives or their families' lives, is a much more widespread and effective tactic, and likely accounts for a plurality of corrupt law enforcement officials in Mexico.

Murder is not solely a coercive strategy on the part of the cartels. The murders are acts of desperation. Operational successes by the military and law enforcement, and massive reforms being undertaken by the judiciary, have provided the catalyst for much of the violence. The deployment of tens of thousands of military troops – mobilized specifically to confront DTOs in “hot spots” throughout the country – along with concerted law enforcement operations targeting specific cartel members or specific import/export hubs, have disrupted supply routes both into and out of Mexico, and have shattered alliances. Entry ports for large maritime shipments of cocaine from South America, previously wholly controlled by the cartels through corruption, intimidation, and force, are instead patrolled and inspected by vetted members of Mexico's armed forces. The lucrative transportation corridors within Mexico and into the United States, once incontestably held by cartel “gatekeepers” and “plaza bosses,” are now riddled with military checkpoints and monitored by Mexican law enforcement.

Disrupted supply routes translate to intense competition between the drug trafficking organizations who control still-viable routes, and those who want to control them. These stressors are further compounded by shifting alliances, long-standing feuds, and record-breaking seizures by the GOM. Challenging the status quo and holding the traffickers accountable demonstrates the resolve of President Calderon's government. Successfully transforming the situation from one that represents a serious threat to the national security of both Mexico and the U.S. to a problem that can effectively be dealt with as a traditional criminal justice problem will require considerably more work, particularly with regard to institutional reform and anti-corruption efforts. Fortunately, President Calderon has already committed to these reforms, both in rhetoric and in action.

## **SPILOVER VIOLENCE**

Excessive violence by the cartels is a national security problem for Mexico, and – as our close neighbor and political ally – presents high stakes for the United States. In the past year, U.S. intelligence and law enforcement agencies have worked diligently to reach a consensus view on “spillover” violence and on U.S. vulnerability to the Mexican cartels' violent tactics. These discussions required the interagency to define “spillover” in practical terms. As agreed to by the interagency community, spillover violence entails deliberate, planned attacks by the cartels on U.S. assets, including civilian, military, or law enforcement officials, innocent U.S. citizens, or physical institutions such as government buildings, consulates, or businesses. This definition does not include trafficker on trafficker violence, whether perpetrated in Mexico or the U.S.

Spillover violence is a complicated issue. It is crucial, in order to address the problem with the appropriate programs, resources, and operations, that we understand the difference between the intentional targeting of innocent civilians in the United States, or official U.S. government interests in Mexico or the United States, and actions that are characteristic of violent drug culture, such as the killing of an individual who owes a drug debt to the organization. Certain isolated incidents in the United States, such as the torture by a Mexican trafficker of a

Dominican drug customer in Atlanta, are frightening, but do not represent a dramatic departure from the violence that has always been associated with the drug trade.

Much of the risk of spillover violence is posed by younger-generation traffickers whose approach to the drug trade is less rational and profit-minded than that of their “elders,” or by multi-national street and prison gangs working in concert with Mexican cartels as enforcers and street-level drug distributors. As the GOM has continuously and successfully disrupted the cartels’ command and control structure through operations against their leaders, less-experienced “junior” cartel members are inhabiting roles formerly held by traffickers of long standing who, while violent, tended to be more deliberate and cautious in their actions. In Ciudad Juarez, where three individuals associated with the U.S. consulate were killed in March, the Barrio Azteca (BA) street gang is the best known of several gangs being used as enforcers by La Linea, gatekeepers for the Juarez Cartel. The BA has been linked to drug trafficking, prostitution, extortion, assaults, murder and the retail sale of drugs obtained by Mexican DTOs. Elsewhere in Mexico, the link between street gangs and the Mexican cartels is more fluid and tenuous, with gang members typically filling retail drug sales roles rather than providing enforcement.

Between March 18 and 21, the FBI and DEA led a collaborative effort of more than 200 federal, state and local law enforcement personnel in “Operation Knockdown.” Through Operation Knockdown, interviews of over 350 Barrio Azteca gang members in El Paso and New Mexico were conducted. The interviews focused on the activities of drug hit squads in the Ciudad Juarez-El Paso corridor, with a particular focus on gathering intelligence related to the March 13 murders of three individuals associated with our consulate in Ciudad Juarez. The interviews were also an attempt to generate information regarding the FBI Top 10 fugitive and BA member Eduardo Ravelo’s possible location. Intelligence from Operation Knockdown led to 54 arrests, and the seizure of various items of documentary evidence. As a result of this heightened law enforcement pressure, officials are gleaning actionable information directly from gang members.

### **GOVERNMENT OF MEXICO INITIATIVES**

In the three years since Felipe Calderon assumed his post as President of Mexico, he and his Administration have acted with unprecedented vigor and resolve against organized crime and its primary purveyors, the drug cartels. With sustained efforts in attacking the insidious problems of drug-related corruption and violence on every front, the Calderon Administration must be credited at least partially with the sustained reduction in the availability of cocaine in the United States.

Having deployed the military to replace state and local police in the most violence-plagued areas of the country, President Calderon attacked the very core of cartel power: the corruption of public officials. With narco-corruption cases increasingly pointing to high-ranking federal officials in the Mexican government, President Calderon launched Operation Limpieza (Clean Sweep). Designed to improve operational integrity within several Mexican government agencies, including the Attorney General’s Office (PGR), the Secretariat of Public Security, and the military, Operation Limpieza has already resulted in the arrests of dozens of corrupt public officials, and the drafting of a joint GOM-U.S. Department of Justice proposal on police and judicial reforms. Benchmark reforms include improvements in internal security processes (such

as background investigations, internal affairs/disciplinary actions, ethics training), information security processes (such as evidence handling and case file management), and physical security processes (such as structural improvements and access limitations).

The Southwest border is a particular focus of the Department's corruption-fighting efforts. Of the 700 FBI agents leading our charge against public corruption, approximately 120 are working along the Southwest border. The FBI coordinates its investigative efforts along the Southwest border with the Department of Homeland Security Office of Inspector General (DHS OIG), U.S. Immigration and Customs Enforcement - Office of Professional Responsibility (ICE OPR), Customs and Border Protection Internal Affairs (CBP-IA), Transportation Security Administration (TSA), the DEA, and the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). As a result, over 400 public corruption cases originate from that region. In FY2009, there were over 100 arrests and over 130 state and federal cases prosecuted.

The FBI's 12 border corruption task forces along the Southwest border share information with the Southwest Intelligence Group (SWIG), the El Paso Intelligence Center (EPIC), and Mexican legal attachés to both identify and disrupt Mexican drug trafficking organizations from utilizing and soliciting United States public officials to commit criminal activities. The National Border Corruption Task Force (NCBTF) has been established at FBI Headquarters. Consisting of representatives from the FBI, DHS OIG, ICE OPR, CBP-IA, and TSA, this task force ensures general guidance and oversight of border corruption programs across the country. Internally, our NCBTF is coordinating with other impacted divisions at FBI Headquarters. These include the FBI's Directorate of Intelligence, Counterintelligence Division, Counterterrorism Division, and Weapons of Mass Destruction Directorate. Through trend analysis, intelligence and information sharing, and the utilization of lessons learned and best practices, we are becoming more nimble in our approach and making great strides. In addition, the GOM created the Special Organized Crime Court (SOCC), which has jurisdiction over organized crime investigations throughout the Republic of Mexico, and has three primary functions: 1) to authorize the provisional detention of organized crime suspects; 2) to authorize search warrants; and 3) to authorize the interception of communications for evidentiary purposes. The SOCC has nationwide jurisdiction, which not only eliminates the administrative inefficiencies of the previous system, but should also resolve intimidation and corruption-related issues associated with the previous requirement that prosecutors go to local judges in close proximity to the suspected criminal activity.

In June 2008, President Calderon approved a Constitutional amendment permitting the GOM's transition from a written inquisitorial (confession-based) justice system, to an oral adversarial (investigations-based) system. This transition is a significant step toward improving transparency in legal proceedings in Mexico and helps insure the integrity of the judicial process.

The United States is engaged in cooperative efforts with Mexican law enforcement to provide information, training, and equipment that will allow Mexican authorities to investigate, capture, and prosecute members of Mexico's most dangerous and powerful drug cartels. The quantifiable impact of huge drug, weapons, and money seizures presents an incomplete picture. While more difficult to measure, the enormous psychological impact of high-level arrests and record numbers



of extraditions completes the picture. No other action by the GOM strikes quite so deeply at cartel fears than an arrest and extradition.

Beginning only weeks after his inauguration, President Calderon began extraditing high-profile criminals to the United States. In January 2007, President Calderon took the politically courageous step of extraditing 15 individuals to stand trial in the United States, including notorious Gulf Cartel head, Osiel Cardenas-Guillen who, just this past February, was sentenced to 25 years in prison. In fact, February 2010 was a landmark month. On February 19, the GOM extradited Vicente Zambada-Niebla, son of kingpin Ismael “Mayo” Zambada-Garcia and a leader in the Sinaloa Cartel. On February 25, Miguel Caro-Quintero was sentenced to 17 years in a U.S. federal prison, after having been extradited last January. Miguel Caro-Quintero had assumed control of the family organization after the arrest of his brother Rafael Caro-Quintero, who was complicit in the kidnapping, torture, and murder of DEA Special Agent Enrique Camarena.

Since that day, the Government of Mexico has extradited in excess of 280 criminals to the United States. These individuals are associated with some of the most notorious Mexican drug trafficking organizations: the Sinaloa Cartel, the Gulf Cartel, and the Arellano Felix Organization.

During the past year, the GOM has achieved unprecedented success in apprehending high value targets (HVT) based in Mexico. For example, in March 2009, DEA fugitive Vicente Zambada-Niebla, mentioned previously as a recently-extradited leader of the Sinaloa Cartel, was arrested in Mexico City. In October 2009, another Sinaloa Cartel leader and DEA fugitive, Oscar Nava-Valencia (known as “El Lobo”) was apprehended near Guadalajara, Mexico. Nava is currently incarcerated in Mexico, pending extradition to the U.S. In December 2009, the “Boss of Bosses” Arturo Beltran-Leyva was killed in Cuernavaca, Mexico during an arrest operation after a two-hour gun battle with Mexican military forces. Beltran was considered one of the most powerful drug lords in Mexico. And finally, on January 12, 2010, DEA and the U.S. Marshals Service identified the residence of one of Mexico’s most wanted fugitives and co-leader of the Tijuana Cartel, Eduardo Garcia-Simental (known as “El Teo”), who was responsible for many of the homicides, kidnappings, and tortures in Tijuana. El Teo’s brother, Manuel, and their chief lieutenant Raydel Lopez-Uriarte, were arrested less than one month later, on February 8. All these high-impact actions – seizures, arrests and extraditions – serve to make one important point: drug traffickers are inherently violent – but desperate, vulnerable drug traffickers operating under unprecedented stress are exceedingly violent.

## **INTERAGENCY INITIATIVES ALONG THE SWB**

DEA and the FBI are agencies with global reach who work vigorously with law enforcement counterparts in both the United States and Mexico to address the violence in Mexico through joint investigations and the sharing of intelligence. We routinely collect and share intelligence pertaining to those violent drug trafficking organizations and armed groups operating in and around “hot spots” along the Southwest Border. Additionally, DEA has the largest U.S. law enforcement presence in Mexico with offices in Mexico City, Tijuana, Hermosillo, Nogales, Ciudad Juarez, Mazatlan, Guadalajara, Monterrey, Matamoros, Nuevo Laredo, and Merida. As of April 2010, DEA has 1,205 Special Agent positions working in domestic offices with

responsibilities for the SWB, representing approximately 23 percent of DEA's total Special Agent workforce. In addition, DEA has the largest law enforcement presence of any U.S. agency in Mexico, with 62 Special Agents. Overall, some 24 percent of DEA's total Special Agent workforce is assigned to either Mexico or the Southwest Border..

FBI Resolution Six (R-6) Agents, co-located with DEA Agents, coordinate drug and gang investigations conducted in Mexico. They are also responsible for supporting domestic cases for U.S. prosecution, cultivating liaison contacts within Mexico, and supporting bilateral criminal enterprise initiatives. Working closely with counterparts assigned to the Mexican Embassy, Legal Attaches, the El Paso Intelligence Center and the Southwest Intelligence Group as well as with our federal partners in the U.S. Department of Homeland Security, the Bureau of Alcohol, Tobacco, Firearms and Explosives, we leverage all available resources and expertise. Our close coordination with impacted state and local law enforcement and our Mexican counterparts allow us real-time access to intelligence and information that in 2009, alone, enabled us to realize over 800 convictions related to Mexican DTOs.

As the lead U.S. law enforcement agency responsible for enforcing the drug laws of the United States, DEA has been at the forefront of U.S. efforts to work with foreign law enforcement counterparts in confronting the organizations that profit from the global drug trade. DEA's success is due, at least in part, to its single-mission focus. DEA is well positioned to mount a sustained attack on the command and control elements of drug trafficking organizations; however, DEA does not operate in a vacuum. Rather, DEA and FBI, in conjunction with the Department of Justice; the Department of Homeland Security; the Department of Defense; the Intelligence Community; and state, local, other federal, and foreign counterparts mount a coordinated attack against all levels of the drug trade with an aim at disrupting and dismantling the command and control elements of these organizations.

Several noteworthy interagency efforts are being coordinated along the SWB:

- Most recently, on June 5th, in Albuquerque, New Mexico, Attorney General Holder, Department of Homeland Security (DHS) Secretary Napolitano, and Office of National Drug Control Policy (ONDCP) Director Kerlikowske released President Obama's ***National Southwest Border Counternarcotics Strategy***, designed to stem the flow of illegal drugs and their illicit proceeds across the Southwest Border and to reduce associated crime and violence in the region.
- The ***SWB Initiative*** is a multi-agency, federal law enforcement operation that attacks Mexico-based DTOs operating along the SWB by targeting the communication systems of their command and control centers. The SWB Initiative has been in operation since 1994. As part of a cooperative effort, DEA, the FBI, CBP, ICE, and U.S. Attorneys' Offices around the country conduct wiretaps that ultimately identify all levels of Mexico or Colombia-based DTOs. This strategy allows tracking of the drugs as they flow from Colombia or Mexico to the streets of the United States.
- The ***Southwest Border Intelligence Collection Plan (SWBICP)*** was initiated by DEA in October 2009 to provide a regional intelligence collection framework to support enforcement

operations on the SWB of the United States. The SWBICP provides operational, tactical, strategic, and policy-level intelligence used to support investigations, regional planning, and resource decision-making. Intelligence gathered under the guidance of the SWBICP is shared with the Intelligence Community, and other federal, state, and local law enforcement agencies. The SWBICP also provides a mechanism to collect information needed to assess counterdrug measures and security threats along the U.S.-Mexico border. The SWBICP evolved from DEA's previous highly-successful SWB-focused intelligence collection plan, *Operation Black Flag*.

- The ***Concealment Trap Initiative (CTI)*** targets those vital service providers who build concealed trap compartments or use natural voids in vehicles or other conveyances and residences for DTOs to conceal bulk cash or other contraband. Drug traffickers recognize that "bulk" currency is subject to seizure and easily forfeited when discovered by law enforcement authorities. To counter this, drug traffickers employ a myriad of techniques, including the use of concealment traps, to impede and frustrate law enforcement's efforts to discover and seize illicit drug proceeds. The CTI addresses the challenge of helping law enforcement officers and agents keep up with the technology behind these traps, including training them to identify and locate the traps, and establish probable cause toward obtaining a search warrant or consent to search the vehicle or residence in which the trap is located. DEA expended \$3 million on the CTI program in 2009, and seized over \$28 million, in addition to drugs and weapons.
- **Bulk Cash Seizures** represent the cash proceeds obtained from the illegal trafficking of drugs, weapons and persons and are targeted by DEA, FBI, ICE and other federal and state and local law enforcement partners for use in obtaining valuable investigative leads and intelligence data. Going forward, information regarding bulk cash seizures will be simultaneously shared between ICE's Bulk Cash Smuggling Center (BCSC) in Vermont and the National Seizure System (NSS) at EPIC. ICE's BCSC is a 24/7 investigative support and operations facility providing real-time tactical assistance to the field, while the EPIC-NSS functions as, among other things, a repository for detailed bulk currency seizure information from both domestic and foreign law enforcement agencies. NSS analyzes volumes of bulk currency seizure data and develops investigative lead reports and responds to requests for bulk currency seizure data from agents and officers in the field. EPIC provides a broad spectrum of interagency information and intelligence systems which are capable of immediately assessing the information and assisting law enforcement agencies in obtaining probable cause for search warrants, link cases together and follow up on existing cases.
- Since the FBI's establishment of the ***Safe Streets Violent Crimes (SSVC) Initiative*** in 1992, we have focused on violent gangs by identifying major groups who act as significant criminal enterprises. The Department's goal is not just to disrupt their activities, but to dismantle these dangerous gangs entirely. FBI agents assigned to each of the eight FBI Field Offices along the border conduct multi-subject and multi-jurisdictional investigations concentrating resources to remove the leadership and the most dangerous gangs and seize their criminally obtained assets. As of March 1, 2010, there were 124 pending kidnapping cases and 33 pending extortion cases throughout the FBI's eight border Field Offices.

- In addition, the FBI has established ***Violent Crime Safe Streets Task Forces (SSTF)*** in San Diego, Los Angeles, Phoenix, El Paso, San Antonio and Houston. By coordinating our efforts with partners at all levels of law enforcement, we are able to leverage all available resources and expertise while sharing intelligence and information. For its part, the SSTF program also coordinates with our colleagues at the El Paso Intelligence Center, the Southwest Intelligence Center, Mexican Embassy and Mexican Legal Attache as well as with Mexican law enforcement.
- ***Organized Crime Drug Enforcement Task Forces*** – The OCDETF program was initiated in 1982 to combine federal, state, and local law enforcement efforts into a comprehensive attack against organized crime and drug traffickers. DEA and the FBI are active components of the OCDETF program, including OCDETF Strike Forces. OCDETF Strike Forces collaborate with the Southwest Border High Intensity Drug Trafficking Area (HIDTA) regional task forces in Arizona, California, New Mexico, West Texas and South Texas. Southwest Border HIDTA Task Forces represent federal, state, and local partnerships that target Mexican drug cartels, and their smuggling and transportation networks, that spawn cartel violence along the Border. The Southwest Border HIDEAs is 1 of 29 HIDEAs which are funded via the Office of National Drug Control Policy. HIDTA Task Forces have had enormous success dismantling major Mexican drug trafficking organizations linked to Mexico-based cartels.
- DEA is a member of the DHS ***Border Enforcement Security Task Force (BEST)***, an Immigration and Customs Enforcement (ICE)-led initiative designed to increase the flow of information between participating agencies regarding transnational criminal organizations and violent gangs operating along our shared borders. In particular, BESTs target the underlying source of cross border violence along the SWB: weapons smuggling, narcotics and human smuggling as well as bulk cash smuggling. BESTs commenced in Laredo, TX, in July 2005; DEA's participation in the Laredo BEST began on May 3, 2006. Based on the success of the Laredo BEST, the BEST program has expanded to seventeen (17) locations, ten (10) of which, including Laredo, are situated along the SWB: Rio Grande Valley, TX; El Paso, TX; Las Cruces, NM; Deming, NM; Tucson, AZ; Phoenix, AZ; Yuma, AZ; Imperial Valley, CA; and San Diego, CA. BESTs incorporate personnel from ICE; CBP; USSS; Drug Enforcement Administration; Bureau of Alcohol, Tobacco, Firearms and Explosives; Federal Bureau of Investigation; U.S. Coast Guard; and the U.S. Attorney's Office along with other key federal, state, local and foreign law enforcement agencies including the Mexican law enforcement agency Secretaria de Seguridad Publica (SSP).
- The Department's ***Drug Flow Attack Strategy (DFAS)*** is an innovative, multi-agency strategy, designed to disrupt significantly the flow of drugs, money, and chemicals between 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. Operation All-inclusive (OAI) is the primary DFAS enforcement component in the source and transit zones. Iterations of OAI have been staged annually since 2005.

- **Operation Doble Via (ODV)**, the domestic component of OAI, was conducted between April and September 2007 to disrupt the flow of drugs, chemicals, and money across the SWB. ODV took place on both sides of the border and the main participants were DEA, CBP, Texas DPS, and several Mexican agencies including the Federal Investigative Agency (AFI), the Federal Preventive Police (PFP), the military, and the Deputy Attorney General's Office of Special Investigations on Organized Crime (SIEDO). **Operation Doble Via II** will be conducted this year, with a focus on the Arizona-Mexico border. Through the collection of law enforcement intelligence information and the development of investigations specifically targeting the Arizona border region, ODV-II will seek to dismantle those drug trafficking organizations and other armed groups responsible for the violence in Sonora, Mexico and the movement of drugs, weapons, and money across the border with Arizona.
- EPIC is a national tactical intelligence center that focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with a significant emphasis on the SWB. Through its 24-hour Watch function, EPIC provides immediate access to participating agencies' databases to law enforcement agents, investigators, and analysts. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, deconfliction, and officer safety. EPIC also provides significant, direct tactical intelligence support to state and local law enforcement agencies, especially in the areas of clandestine laboratory investigations and highway interdiction.
  - EPIC's **Gatekeeper Project** is a comprehensive, multi-source assessment of trafficking organizations involved in and controlling movement of illegal contraband through "entry corridors" along the SWB. The analysis of Gatekeeper organizations not only provides a better understanding of command and control, organizational structure, and methods of operation, but also serves as a guide for policymakers to initiate and prioritize operations by U.S. anti-drug elements. Numerous "Gatekeepers" have direct links to Priority Target Organizations (PTO) and/or Consolidated Priority Organization Targets (CPOT).
  - Implementation of **License Plate Readers (LPR)** along the SWB by the Department of Justice and Department of Homeland Security has provided a surveillance method that uses optical character recognition on images that read vehicle license plates. The purpose of the LPR Initiative is to combine existing DEA and other law enforcement database capabilities with new technology to identify and interdict conveyances being utilized to transport bulk cash, drugs, weapons, as well as other illegal contraband. Almost 100 percent of the effort and cost associated with monitoring southbound traffic is directed at the identification, seizure, and forfeiture of bulk cash and weapons, while the effort and cost of monitoring northbound traffic is both enforcement and forfeiture-related, in that suspect conveyances can be identified for later southbound monitoring. DEA components have the ability to query and input alerts on license plates via an existing DEA database, and other law enforcement agencies can do the same via EPIC. DEA and CBP are currently working together in order to merge existing CBP LPRs at the points of entry with DEA's LPR Initiative.

- The OCDETF Fusion Center (OFC) provides investigative and operational intelligence support to OCDETF investigations through the development of organizational target profiles and the development of specific investigative leads. These leads and intelligence products are disseminated to the appropriate field elements of the OCDETF agencies through SOD. Intelligence and leads relating to other criminal activities, including terrorism, are disseminated through SOD to the appropriate agencies.
- The DEA led multi-agency Special Operations Division's (SOD) mission is to establish seamless law enforcement strategies and operations aimed at dismantling national and international trafficking organizations by attacking their command and control communications. SOD is able to facilitate coordination and communication amongst law enforcement entities with overlapping investigations and ensure tactical and operational intelligence is shared and that enforcement operations and investigations are fully coordinated among and between law enforcement agencies.

## **CONCLUSION**

The daily challenges posed by drug trafficking organizations in the United States and Mexico are significant, but are overshadowed of late by a very specific set of challenges: ensuring that the rampant violence in Mexico does not spill over our border; closely monitoring the security situation in Mexico; and, perhaps most importantly, lending our assistance and support to the Calderon Administration to ensure its continued success against the ruthless and powerful cartels. The GOM has realized enormous gains in re-establishing the rule of law in Mexico, and in breaking the power and impunity of the DTOs who threaten Mexico's, and our, national security. The Calderon Administration's gains translate to an unparalleled positive impact on the U.S. drug market as well: from January 2007 through December 2009, the price per gram of cocaine increased 72 percent from \$98.88 to \$169.93, while the average purity decreased by almost 33 percent. These statistics paint a clear picture of restricted drug flow into the United States and decreased availability. While spikes – upward or downward – in price and purity have been observed in the past, these indicators typically normalize within a few months. Unlike in the past, we are now in the midst of a sustained, three-year period of escalating prices and decreasing purity. Anecdotal evidence from around the country and closer to home here in the District of Columbia, including intercepted communications of the traffickers themselves, corroborates the fact that President Calderon's efforts are making it more difficult for traffickers to supply the U.S. market with illicit drugs.

The Department recognizes that interagency and international collaboration and coordination is fundamental to our success. It is imperative that we sustain the positive momentum by supporting President Calderon's heroic efforts against organized crime. We must also manage expectations, as we anticipate that the gruesome violence in Mexico may get worse before it gets better. We must recognize that we are witnessing acts of true desperation: the actions of wounded, vulnerable, and dangerous criminal organizations. We remain committed to working with our U.S. law enforcement and intelligence partners as well, to stem the flow of bulk cash and weapons south, while also working to sustain the disruption of drug transportation routes northward. Bringing to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations involved in

the cultivation, manufacture, and distribution of controlled substances appearing in or destined for illicit trafficking in the United States remains the core of our focus.

Thank you for the opportunity to appear before you today to discuss this important issue. We will be happy to answer any questions that you may have.