

Zetas Leader's First Task: Hold Nuevo Laredo

By Steven Dudley

In this article, Steven Dudley, Director of InSight Crime and a former Wilson Center Fellow, suggests the Zetas dominance over the highly lucrative drug trafficking corridor through Nuevo Laredo will likely be seriously challenged in the wake to Miguel Treviño's capture.

Even before Zetas' leader Miguel "Z40" Treviño's surprising capture on July 16, Nuevo Laredo was slipping into a chaotic state of nearly constant dispute. Now Treviño's brother, "Omar," alias "Z42," will have the almost impossible task of keeping it firmly under the group's wing if the Zetas are to survive as an organization.

The Zetas consider Nuevo Laredo their home, perhaps now more than ever. They may have spread throughout the country and into foreign nations, most notably Guatemala, but their base remains Nuevo Laredo. It is where their model -- control territory, extract rent, move drugs (in that order) -- has its clearest manifestation. It is also their most important moneymaker, especially since they lost their grip on Mexico's industrial hub, Monterrey, in recent months.

The city has historical significance as well. It is where Treviño and his successor Alejandro "Omar" Treviño, alias Z42, were raised and still have family and a presumed base of support. Turnover from one group to another can be bloody and costly for any Nuevo Laredo resident willingly or unwillingly participating in the Zetas' operations. It is where the Zetas passed their first stern military test by resisting an offensive by the Sinaloa Cartel in 2004 - 2006, and solidified their reputation.

Nuevo Laredo is also where they first took control of a police force, a mayor's office, and a city. It is where they first shut down civil society and the local press, developing a means by which they could control the public message and perception in the areas under their control. And it appears to be where the last of the first generation of Zetas' leaders like Z42 may make their final stand or evolve into something resembling a more gentlemanly criminal group.

Internal and External Threats

Z42 will face challenges from within. The Zetas split into various factions at least two years ago, the two most powerful of which came from the Nuevo Laredo underworld. In the early 2000s, the Treviños shared duties in the city with Ivan Velazquez Caballero, alias "El Taliban." It was a tense relationship, almost from the

beginning, as each tried to secure international contacts to move illegal drugs. In the early 2000s, one Dallas-based drug dealer testified in court that he was kidnapped, in part because of this rivalry.

El Taliban, who was later sent to monitor points south such as the state of San Luis Potosi, split from the Treviños in 2011 after the capture of Jesus Enrique Rejon Aguilar, alias "El Mamito." (Mamito was extradited to the United States and has since testified against the Treviños in a money-laundering case tried in Austin, Texas.) Via so-called "narcobanners" and videos distributed on YouTube, El Taliban claimed Z40 had sold out pieces of the group to authorities, including Mamito.

After El Taliban's capture in September 2012, a faction calling themselves the "Legionarios" announced their intentions to overrun the Treviños. Later, a second faction calling itself "Sangre Z" vowed to continue El Taliban's fight.

This internal power struggle came to a head in October 2012, following the death of the group's top leader, Heriberto Lazcano, alias "Z3." Other groups, most notably the Gulf and Sinaloa Cartels, sought to take advantage of the rifts as well. El Taliban's group was rumored to have rejoined forces with the Gulf Cartel, the Zetas' former masters, from whom the Zetas had separated in 2010.

Nuevo Laredo was at the center of the fight. It spilled into public view in May 2012, with the appearance of 23 bodies, some hung from bridges, alongside threatening notes. By the end of 2012 and the beginning of 2013, the battles were a near daily experience, say numerous residents, officials and investigators in this city, and included a firefight with high powered rifles and grenades that occurred a block from the US Consulate.

The carnage was historic. In 2012, the city government recovered some 550 bodies, according to sources close to the government, giving it a homicide rate of 143 per 100,000. By comparison, Juarez, the country's most famous hotbed of criminal activity, registered a 56 per 100,000 murder rate.

The official murder tally in Nuevo Laredo, however, was 288. The Zetas prefer that murders be reported on their terms, often via YouTube or blogs, and certainly not in ways that make Nuevo Laredo appear like a place in dispute. The local newspaper, *El Mañana*, did not report either statistic; it has been silenced by the Zetas and announced last year that it was no longer in the business of covering organized crime.

Mexican and US government officials say that the murder rate is considerably lower this year and attribute last year's spike to the latest attempt by the Zetas' rivals to

overrun this important transit point for illegal drugs moving north and money, and weapons moving south.

However, many expect another surge now that Z40 is in jail. His brother, Z42, while formidable and ruthless, carries less gravitas than his older sibling and will be scrambling to keep himself out of prison. He is thought to be on the run, spending most of his time in the neighboring states of Coahuila and Nuevo Leon. The city, it appears, is up for grabs again.

A City with Multiple Layers

From afar, Z42 will have to maintain control the Zetas' various layers of operation in the city. At the top layer, the Zetas have a "plaza boss." He is in charge of a hundred square miles stretching along the border and reaching into the interior of Mexico. He has to keep the overall operations running in the city, which include the movement of the Zetas' prime moneymaker in this area, the movement of illegal drugs into the United States.

This drug trafficking activity is what distinguishes this plaza from many others the Zetas run in Mexico. In Nuevo Laredo, the group is focused less on the local criminal economy and more on the international one. Nuevo Laredo is the only major crossing point into the United States the organization controls in its entirety. But it is also one of the most important, if not the most important, in Mexico. Thirty-five percent of all truck traffic between the US – Mexico goes through this city. That translates into between 10,000 and 12,000 commercial trucks crossing the Rio Grande every day.

The corridor stretches to Houston and Dallas, two large drug markets that provided the core of the Zetas' revenue for years as they spread into nearly half the states in Mexico. Laredo connects to I-35, a highway that effectively splits the United States in two giving equal access to both coastal markets and everything in between. The line of trucks is endless and despite technological advances that include several million-dollar mobile X-ray machines to scan trucks, as well as numerous other sensors and gadgets, border officials admit that it's a difficult, if not impossible, battle.

The numbers tell part of the story. Seizures of marijuana, once in the hundreds of pounds in the early 1990s, now are regularly in the thousands, US border officials told InSight Crime. Cocaine seizures routinely top 100 kilograms in any given seizure. Methamphetamines are coming through in increasing amounts, border and drug agents say, packed in car batteries or in liquid form as windshield wiper fluid.

The X-ray trucks the US have help, to be sure. They can detect anomalies in everything from strawberry flats to furniture. But it's the dogs and, most often, the

human scent, which lead to the seizures. They are, however, a small dent in the operations of these organizations. A recent money laundering case against Miguel and Omar Treviño's uncle netted over \$20 million in seizures. The organization, investigators say, continued without a blip.

The Nuevo Laredo plaza boss' job is to ensure there are no blips on the Mexican side of the border. He has four lieutenants who help him. They are divided geographically: the river; the highway or "kilometros"; the east side of the city; and the west side of the city. This geographical approach is consistent with the Zetas' military origins and their modus operandi. The original group's core was Mexican Special Forces recruited by then Gulf Cartel head Osiel Cardenas to act as his personal guards. They eventually became his most effective and important military wing.

True to their military origins, the group is concerned with controlling territory first, extracting rent from illegal activities second. This includes all the illegal activities going on in Nuevo Laredo, from prostitution to the movement of contraband cigarettes. Achieving this control takes a clear, hierarchical structure. Each lieutenant has several units or "estacas," which are broken down into groups of 5 or 6 soldiers that obeys, to a certain extent, the number of men they can fit in the large vehicles they use to mobilize their soldiers. These estacas have numerous jobs: regular patrols, protecting and moving commanders, protecting and moving drugs, enforcement, engaging and/or distracting security forces.

The Zetas ability to deal with the security forces has diminished over time, according to several law enforcement and military personnel consulted for this report. But it is still formidable and sufficient enough to repel the many frontal assaults the group faces these days. The group counts on a vast network of informants and collaborators around the city to keep their enemies at bay. These "halcones," or "hawks," as they are known are spread throughout the city and its surroundings. They number in the hundreds, according to one military source. Many work in jobs that require them to be mobile or give them access to information: they are taxi drivers or cellular phone retailers for example. They often have radios themselves, but more often they just ping their handlers to alert them.

This information is channeled through a central communications team. These are communications specialists -- "techies" as they were described to InSight Crime -- who know how to manage sophisticated radio repeaters and technology used to intercept security force communications. The system works. Local military admitted that the Zetas know where they are at all times.

If the Zetas have to engage, they can employ numerous countermeasures. They are known to call buses, trucks and passenger vehicles into the fray by instructing them to block the roads the military is using to send personnel or reinforcements. They

can sprinkle the streets with what are known as "punchallantas" or "estrellas," highly resistant pieces of metal curved so that they can puncture the army trucks' tires. And they have weapons, a seemingly endless array of them, from 50-caliber rifles to grenade launchers, which they will employ in any circumstance without regard for civilian casualties.

As it is in the rest of the country, the quality of the Zeta soldier is not what it was, but there is an abundance of potential recruits. The organization is recruiting from pools of teens and young adults who find themselves in a city that has been largely abandoned by its wealthiest citizens and many of its businesses, and ignored by its federal government. The previous president, Felipe Calderon, came as a candidate and promised to "rescue the city from the mafia." However, he did not visit the city during his six years in office and certainly did not rescue much of anything in the northeast of this country.

There are also potential recruits amongst the thousands of illegal migrants who still come to the border each year seeking passage to the United States. The influx of migrants into the ranks is evident when speaking to the locals who tend to blame the degradation of the situation on "outsiders," willfully ignoring the origins of Treviño family's continued residence in neighboring Laredo.

Time for a New Boss?

It is this degradation, which is a direct result of how the Zetas operate, that plagues the city the most and may represent an equally formidable challenge to Z42's hold on Nuevo Laredo. The criminal organization's lowest layer has a lot of autonomy to delve into side businesses. The targets of these criminal activities are most often local businesses and citizens who get extorted regularly by those who work, or claim to work, with the Zetas. The nearly constant turnover of mid and low-level members -- who are either killed, are arrested or leave -- creates even more uncertainty and unpredictability.

That unpredictability has led many businesses and businessmen to flee Nuevo Laredo into neighboring Laredo. Customs brokers, restaurant owners, and media moguls have all left. Those who stayed often did so because they cannot afford to move and prefer to spend their money to send their kids to the universities on the US side. The Customs Brokers Association (Asociacion de Agentes Aduanales – AAA) estimates that more than half have left the city and those who are left are desperate, asking whether they can develop their own "self-defense" groups in the Colombian style.

InSight Crime visited one large US company that remains in operation in Laredo. The company asked we not publish its name, as did its managers. Those managers

said it has not been the subject of extortion and that only one company employee had been killed. However, they added that the army was a poor substitute for the police in matters of security and that common crime was on the rise.

"They don't know the streets, the neighborhoods," a top-level manager of operations said.

For him, it was clear who ran the streets. Although the army patrolled, the Zetas had lookouts on every corner and stopped whomever they needed to inspect. In the previous six months, he had been stopped three times during his commute. He said the Zetas probably know who he is but have decided to leave him alone for now.

Added to this chaos is the local and state government's near complete abdication of power. The police have not operated in Nuevo Laredo for close to three years since the state government declared that it would run the municipal officers through a series of "confidence" and drug tests. So far it has reportedly tested five officers, only one of whom has passed. The rest of the police remain on the payroll while the state figures out whether to dismiss them outright, which may require a new labor law, or run the rest through the tests.

Many local civil society groups and authorities alike said the dismissal of the police was for the best. The police had become an important operational arm of the Zetas. Few who accepted survived. Since 2005, four police chiefs have been killed or gone missing, the latest last year. Fernando Rios, who later became the head of the Municipal Committee for Citizen Participation, was one of the last to hold the job and live to tell about it.

"You have to know your limits," he told InSight Crime, when asked what his secret was.

With regards to security, the municipal government has failed. For people here, it has been paralyzed at best and become an appendage of the Zetas at worst. The lack of police punctuates this, but it is only one manifestation of the government's feeble attempts to slow the spread of the Zetas.

A federal court in Texas, for instance, has accused former Tamaulipas Governor Tomas Yarrington (1999 – 2004), who also ran for president in 2006, of accepting bribes in the millions from the Gulf Cartel and then laundering the million in proceeds in Texas properties, among other places. The case against Yarrington has moved slowly. An international arrest warrant was issued for Yarrington only in December 2012, although news reports suggest that he might have gone into witness protection in the US prior to that announcement. Meanwhile, from his Facebook page, the former governor continues a defiant stance.

In the end, the city's chaos is as big a challenge to Z42's reign as his rivals. Few criminal organizations can operate without the blessing of the local business and political elites. The fear that Z40 generated may have kept these two in line for a time, but his absence may give them the space to seek other, underworld arrangements. If a rival can bring relative order and even commercial and tourist activity to Nuevo Laredo, the Zetas days will be numbered in the city.