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# **Steady Advances, Slow Results: U.S.-Mexico Security Cooperation After Two Years of the Obama Administration**

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## **Brief Project Description**

This Working Paper is the product of the U.S.-Mexico Security Cooperation project coordinated by the Mexico Institute at the Woodrow Wilson Center. As part of this project, a number of research papers have been commissioned that provide background on organized crime in Mexico, the United States, and Central America, and the specific challenges these governments confront as they attempt to address the violence and corruption that have resulted. This paper is being released in preliminary form to inform the public about one key element in the strategy to address the underlying factors contributing to the violence and threats from organized. All papers that make up this Security Cooperation series, along with other background information and analysis, can be accessed online at the [Mexico Institute](#) web page, Materials can be used for attribution and are copyrighted to the author and the Mexico Institute.

The views of the author do not represent an official position of the Woodrow Wilson Center. For questions related to the project, for media inquiries, or if you would like to contact the author please contact the project coordinator, Eric L. Olson, at 202-691-4336 or via email at [eric.olson@wilsoncenter.org](mailto:eric.olson@wilsoncenter.org).

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## **INTRODUCTION AND OVERVIEW**

On April 29, Secretary of State Hillary Clinton will host a meeting of U.S. and Mexican cabinet secretaries to evaluate progress in the U.S.-Mexico relationship. This meeting will focus primarily on the strategy of “[shared responsibility](#)” developed between the two governments to address the threat posed by organized crime groups that operate on both sides of the border. The fact that these high-level meetings have become almost routine is itself a sign of progress. The two governments have made concerted efforts to meet regularly at the highest levels to make sure that the administrations are working together effectively across a range of controversial and complex issues that necessarily involve multiple agencies in each country.

However, it is worth asking how well the two governments are actually doing in implementing the commitments they have made. In their meetings a year ago, the two governments identified a “[four pillar](#)” strategy to address organized crime groups that operate on both sides of the border]. The four pillars are (1) disrupting and dismantling organized crime groups; (2) strengthening the institutions for rule of law; (3) creating a “21<sup>st</sup> Century Border”; and (4) building resilient communities in areas of conflict. In addition, the U.S. government agreed to do more to address the demand for illegal narcotics.

The stakes are high. Last year there were over 15,000 drug-related murders in Mexico and the discovery of mass graves in the northern state of Tamaulipas in recent days has highlighted the gravity of the problem. U.S. consumers of illegal narcotics are complicit in this business, with \$19 to 29 billion each year flowing southward from the United States to Mexico in money and weapons to fuel the violence. How the two governments respond to this shared challenge is vital and has tangible effects on citizens in both countries.

Below we look at what the two governments have done over the past two years to move forward on their commitments. We find that there have been steady advances in each of the areas they committed to address, but that the results so far are far less than what is needed to address the threat posed by organized crime groups.

### **PILLAR ONE: DISRUPTING AND DISMANTLING ORGANIZED CRIME GROUPS**

Much of the focus of the two governments has been on this pillar, which deals with diminishing the capacity of the organized crime groups to operate and commit acts of violence. To be sure, [organized crime-related killings](#) have expanded significantly in recent years, reaching more than 15,000 in 2010 alone. This appears to be partially the result of fights within organized crime groups over leadership succession after top leaders have been arrested and partially the result of increased competition among organized crime groups themselves. However, despite these notable advances in intelligence sharing and arrests of key crime group leaders, the

two governments do not yet appear to have a clear and consistent strategy to degrade the capacity of the organizations themselves including their financial and arms smuggling networks.

### ***Intelligence Sharing***

Intelligence sharing has led to numerous arrests including 20 of the 38 most wanted organized crime leaders in [Mexico](#). Federal law enforcement officials in the United States have also experienced some success at beginning to dismantle the violent Barrio Azteca gang in El Paso and arresting a number of other suspects on U.S. soil linked to organized crime groups in Mexico.

These successes have been made possible by the development of new modalities of cooperation, including the presence of law enforcement and intelligence officials from the two countries embedded in fusion groups on both sides of the border; the use of unarmed drones to pinpoint the location of fugitives; and the sharing of real-time intelligence about the movement of planes and boats involved in [illicit activities](#). The kind of intelligence sharing taking place today would have been impossible five years ago and unimaginable ten years, so this represents an important evolution of cooperation.

However, it is less clear what effect the high profile arrests and deaths of cartel leaders are having on the structure and behavior of organized crime groups. In some cases, it appears these successes are generating even more violent leadership fights among lower level crime bosses. In other cases, the organizations appear to replace leaders quickly. The public needs much more information about the nature of the strategy and its achievements and shortcomings to date, including far better data on arrests and prosecutions of traffickers.

### ***Arms trafficking***

Two elements of the strategy that rest heavily with the United States include disrupting the flow of firearms and money back to Mexico. Together these flows feed the [ferocious violence](#) that has plagued Mexico over the last four years. While some important steps have been taken to improve the tracing of weapons seized in Mexico, this process is cumbersome and, so far, largely ineffective in producing the kind of timely information needed to significantly slow trafficking. Furthermore, the United States Congress and the Obama administration have demonstrated little willingness to tackle the issue by either reforming the laws that permit traffickers to circumvent existing restrictions, or by dedicating sufficient resources and personnel in a targeted fashion to slow the iron river flowing into Mexico. There is some reason to believe that prosecutions of arms traffickers may be on the rise, but these efforts are clearly incipient still. One proposal, floated by the Obama administration, to require notification of multiple purchases of long guns within a month, which could have helped identify arms smuggling rings, has never been implemented.

In the middle of these effort, a controversial sting operation by ATF known as “Fast and Furious,” surfaced, which appears to have allowed several hundred guns cross

the border into Mexico in order to help ATF identify and build cases against straw purchases and smugglers. While the intentions were good, there is considerable controversy over whether the Mexican government was adequately informed of the program and whether sufficient controls were built in to the program's execution. At a time when cooperation on arms trafficking was increasing, this scandal has further complicated efforts to move forward.

### ***Money laundering***

Probably the most vexing element of the current crisis is the money that is generated by sales of illegal drugs in the United States and then used to corrode and corrupt law enforcement and democratic institutions in both countries, but especially Mexico. Money is smuggled in bulk cash, laundered through the financial system, and, more recently, loaded onto prepaid cards that can be redeemed in Mexico. No one knows the exact amount of illicit money that is smuggled from the U.S. to Mexico each year, but the [State Department](#) has estimated that it is somewhere between \$19-29 billion each year.

There is little data to show what effect efforts to combat money laundering to Mexico may be having. The Mexican government has approved asset forfeiture laws and limited the amount of dollar transactions, which are both likely to help combat money laundering in Mexico, and the U.S. government has become quite aggressive at putting legal businesses that conspire with organized crime groups on the OFAC list that makes them subject to asset forfeiture. There was also a major fine levied on [Wachovia bank](#) as the result of its failure to monitor transactions with Mexican exchange houses adequately, which had allowed millions of dollars to be laundered through these. However, there does not yet appear to be a consistent strategy for addressing money laundering, even though this might be one of the most important tools for undermining the influence of organized crime groups.

## **PILLAR TWO: STRENGTHENING THE INSTITUTIONS FOR RULE OF LAW**

Fighting a brutal and well-organized enemy like organized crime groups requires strong institutions that can guarantee the safety and security of citizens and hold criminals accountable. Unfortunately, Mexico's law enforcement institutions have been plagued by decades of neglect so that they are often ineffective and even sometimes part of the problem itself. Not surprisingly, numerous polls suggest there is very little public trust in the country's police or judicial system, and that roughly [4 in 5 crimes](#) are never even reported. Worse, estimates are that less than [2 percent](#) of all crime results in a conviction and sentencing. It is hard to imagine that any strategy to combat organized crime would be successful with public institutions that are so weakened.

To address these issues, the Calderón Administration has pursued a number of significant reforms of the police and justice system that have also received significant assistance from the United States. It appears that future requests for

Merida Initiative funds will emphasize these efforts. However, both Mexican and joint efforts to reform institutions appear to be moving slowly given the present challenges.

### ***Police Reform***

Mexico has approximately 400,000 police that are divided into local, state and federal jurisdictions. From the start, the Calderón administration made police reform and modernization a top priority, beginning with the federal police. In June 2009, a new Federal Police force of roughly 32,000 was created that would include major innovations such as higher education standards for recruits, a more sophisticated and complex vetting process, and improved salaries and benefits. The new force also benefited from a dramatically increased communication and database system, known as *Plataforma Mexico*, which links police forces across the country to a centralized database and intelligence system. These reforms were well received by the United States, and the Federal Police has received significant assistance in the form of equipment and training to support the modernization process.

But major challenges remain. The process for recruiting new qualified officers has been challenging, so education standards and training requirements have been lowered. Despite improved vetting, corruption and penetration by organized crime continues to be a problem for the Federal Police in some areas, and they have not developed adequate mechanisms to combat corruption from within. More importantly, reforms at the federal level have not filtered down to the state and local levels where the vast majority of crimes are committed, and where corruption and penetration by organized crime is most prevalent. A federal proposal to unify all police forces under the federal umbrella has sputtered in Congress and there is not much hope for further reform on that front.

### **Justice Reform**

The lack of prosecutions and widespread impunity for crime stands out as one of Mexico's biggest challenges as it confronts organized crime. Without accountability, criminals, whether petty or organized in trafficking networks, find there is little to prevent them from carrying out increasingly bold and gruesome attacks against the state and the Mexican public.

In an attempt to deal with some of these problems, President Calderón and opposition legislators built a national consensus around judicial reform leading to major constitutional reforms in 2008. These reforms can fundamentally transform Mexico's justice system if fully implemented, but implementation has been slow with numerous setbacks.

The 2008 reforms mean that Mexico's justice system will adopt an oral trial format for criminal cases with defense attorneys and prosecutors arguing the merits of a case in open court before a judge. The presumption of innocence was established for the first time and is now a central element in criminal cases. Under the old

system, cases were handled primarily by clerks who assembled a written file containing all the relevant information from a case which was then presented to a judge to consider based on the written record. In this system, the judge usually just ratifies the clerk's recommendations.

Once again, the United States has provided some technical and financial support for the reform process and its subsequent implementation. Training for prosecutors, defense lawyers, investigators, and judges have been a priority as they sought to implement the new system of justice. To date, most of the support has been directed toward state level reforms, with some support going to the federal government in the last two years. Both the U.S. Justice Department and the Conference of Western Attorney Generals have played an important part in providing training and exchange programs for prosecutors and judges.

But moving from Constitutional reforms to implementing criminal procedure reform at the state and federal level has been painfully slow with only 11 states adopting reform laws and even fewer taking meaningful steps to implement them. More significantly, the federal criminal justice system continues to operate under the previous system of written case files so none of the advances promised in the 2008 reforms have been implemented for federal trials yet. While the reforms provided for an 8-year transition period, the lack of any serious movement in this direction at the federal level sends an unfortunate signal that reform is not a priority.

In addition to the weakness of the courts, the federal and state prosecutors' offices remain severely limited in their capacity to build effective cases against organized crime. In several high profile cases, public officials believed to be abetting organized crime rings have been released because of a lack of sufficient evidence, and the same appears to be happening to suspects arrested for involvement in organized crime groups themselves. It appears that police reform has advanced moderately, but justice reform, including both prosecutors and the courts, has advanced little at all. This means that arrests are rising, but successful prosecutions appear to be lagging far behind.

One final issue involves the interface between the military and the civilian justice system. Mexico's armed forces have their own justice system designed to handle all cases involving violations of the military code, including human rights abuses, committed by military personnel. As the military has become more directly involved in the fight against organized crime, the number of alleged human rights cases has increased significantly. Growing pressure from civil society in Mexico and a legal judgment by the Inter-American Court for Human Rights against the Mexican state required that laws be changed so that military personnel accused of a crime would face civilian justice rather than a military tribunal. Some of these demands were included in a reform proposal proposed by President Calderón to Congress in 2010, but thus far no final action has been taken.

### **PILLAR THREE: BUILDING A 21<sup>ST</sup> CENTURY BORDER**

The Obama administration, building on initial work by the Bush administration, has been quite aggressive in working with the Calderon administration to redefine the strategy for border management. The two governments have sought to create a “21<sup>st</sup> Century Border” that can both ensure a more agile movement of people and commerce and guarantee greater security. They have done this by using risk management techniques and new technologies to enhance pre-clearance and screen potentially harmful shipments. Today, all rail traffic and all empty truck traffic goes through a non-intrusive screening process that allows inspectors on both sides of the border to identify illegal shipments. Efforts are also underway to sort both commercial and regular commuting traffic into low-risk and high-risk groups, based in part on background screenings of frequent crossers.

At the same time, the two governments have dramatically increased the pace of investment in border infrastructure, with three new ports of entry opened in 2010 alone. In some cases, the governments have worked with private companies and community-run port authorities to create public/private partnerships for upgrading border infrastructure. Whereas the government permitting process for new border infrastructure used to take up to ten years, some recent cases have taken only two or three years (or less in one case). Creating a more regular and regulated flow of goods and people across the border is essential for economic growth in both countries and also a major contribution to raising the cost of illegal activities at the [border](#).

Many of the initiatives to create a “21<sup>st</sup> Century Border” remain on the drawing board, but this is a part of the strategy that appears to have some positive forward momentum even if it is likely to take years to implement fully.

### **PILLAR FOUR: BUILDING RESILIENT COMMUNITIES IN AREAS OF CONFLICT**

In January 2010 a number of armed gang members entered into several homes in a working class neighborhood in Ciudad Juarez allegedly in search of a rival gang member. They found several young people celebrating a sports victory and began shooting, killing 15 teenagers. The resulting furor surrounding this senseless act led to a major national discussion in Mexico about the social and economic elements of the violence surrounding organized crime. The Calderón administration led a process of public consultation about the social and economic needs of young people in critical areas such as Ciudad Juarez. The existence of a whole generation of young people that neither study nor work (known as “Ní-Nís” in Mexico) made clear that more needed to be done to provide opportunities for young people, and offer them with alternatives to selling drugs or linking up with organized crime.



The result of this process was the formation of a government lead campaign called “We are all Juárez” (TodosSomosJuárez). The campaign set out a number of social and economic initiatives designed to improve living conditions and opportunities for [young people](#) in Juárez.

The United States has been eager to support this kind of initiative with technical assistance, gang and youth violence prevention programs, and [training programs](#). Unfortunately, the resources the U.S has devoted to this effort have been quite limited until now and the strategy for moving forward on this agenda is only now taking shape. There is hope that a shared binational strategy for this Pillar will be finalized during the upcoming bi-national Cabinet meetings on April 29.

### **THE IMPLICIT FIFTH PILLAR: REDUCING DEMAND FOR ILLEGAL NARCOTICS**

On a trip to Mexico in 2009, Secretary Clinton said, “I feel strongly we [the United States] have a co-responsibility. Our insatiable demand for illegal drugs fuels the drug trade.” With that statement, the Secretary affirmed again the U.S. commitment to reduce the consumption of illegal drugs that are contributing to the extreme violence in Mexico. Yet, despite this commitment, the United States continues to be the world’s largest consumer market for illegal drugs.

Furthermore, assessing what progress, if any, is being made on demand reduction efforts is extremely difficult. On the one hand, the Obama Administration has pointed to increases in the federal drug control budget devoted to treatment (+1.1%) and prevention (+7.9%) programs between fiscal years 2010 and 2012 (requested). Likewise, they have pointed to recent surveys that suggest use of illegal drugs has declined significantly over time. In a March 4 letter to *The Wall Street Journal*, the Director of the Office of National Drug Control Policy, Gil Kerlikowske stated, “Despite some increases in drug use over the past year, it is a fact that the overall demand for drugs in the U.S. has dropped dramatically over the past three decades... the number of Americans using illicit drugs today is roughly half the rate it was in the late 1970s. More recently, we've witnessed a 46% drop in cocaine use among young adults over the past five years and a 65% drop in the rate of people testing positive for cocaine in the workplace since 2006.”

Nevertheless, such “prevalence of use” assessments do not necessarily shed light on the overall volume of drugs consumed in the United States. The government no longer keeps data on the size of the market so it is difficult to assess whether progress is being made. Furthermore, by some estimates, well over 50% of the four major illegal drugs are being consumed by heavy users, with an estimated two-thirds to three-fourths of cocaine being consumed by chronic users. So it is entirely possible that the number of people using drugs is going down but the total volume of drugs being consumed has remained the same or increased. Citizens in both countries deserve far better accounting from their governments to track these changes.

Furthermore, efforts to reduce consumption in the U.S. – whether through law enforcement, treatment, or prevention programs – will be a slow process and requires a sustained approach. In a paper commissioned by the Mexico Institute, Peter Reuter estimates that it would take between [5 and 10 years](#) for demand reduction strategies to have an impact on the volume consumed in the United States, in the best of cases, and could take as long as twenty years for the decline in consumption to have a significant impact on violence in Mexico. This means that demand-reduction strategies are no panacea for today’s violence, but sustaining a commitment to these policies is essential to reducing the profits that drug consumption generates for organized crime groups in the long-term.

## **CONCLUSIONS: EVALUATING PROGRESS**

The two governments are making headway on their commitments, and the regular high-level meetings among officials from both countries are a positive sign that they remain engaged with the bilateral effort to contain and limit the strength of organized crime groups in both countries.

There has been some progress on the ground to show for these efforts. Intelligence sharing has expanded exponentially allowing the Mexican government to capture some of Mexico’s most wanted criminals and the U.S. government to arrest members of U.S.-based gangs involved in cross-border violence. The governments have also expanded the number of bi-national border ports using new technologies to ensure both expedited transit and greater security. And there appear to be new funds from both governments that have started to flow into community efforts to cope with violence in cities under particular threat from organized crime.<sup>1</sup>

However, the gains from the strategy still appear to be lagging far behind the enormous challenges that the two countries face in dealing with organized crime. The recent discovery of mass graves in Tamaulipas, the street fighting in Mexico’s industrial capital of Monterrey, and the continued carnage of Ciudad Juarez have highlighted how serious these challenges are. To date, there is little concrete evidence to show for the two governments’ efforts to stop the flow of illegal weapons and money across the border, although some incremental steps taken so far may prove to be important in the long-term.

There has also been extremely slow progress in the two most important challenges the two governments face: strengthening the institutions of rule of law in Mexico – police, prosecutors, and courts –and reducing the demand for narcotics in the

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<sup>1</sup> There have also been some notable successes in non-security matters, including a partial resolution of a festering dispute over trucking; the creation of a binational resource management strategy for the habitat in the area around Texas’s Big Bend National Park, and the promotion of new ways of harnessing renewable energy in the border region for the benefit of both countries.

United States. These are, to be sure, difficult challenges, but the timid efforts undertaken so far do not yet seem to augur well for future progress.

Overall, policy shifts in each of the areas that the two governments have committed to are underway, and these could make an enormous difference in the long-term if they are sustained. It is perhaps unrealistic to expect dramatic successes on intractable issues in only two years. However, whether or not more dramatic successes materialize in the future and whether forward progress is sustained will depend on the willingness of the two countries to focus greater attention on moving their cooperative efforts forward.