Strengthening U.S.-Mexico Cooperation against Drug Trafficking: What Can State Attorneys General Do?

Presentation to the National Association of Attorneys General
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Colorado Springs, CO
June 16, 2009

Thank you for the opportunity to be able to join you for the summer meeting of the National Association of Attorneys General. It is an honor to be able to address so many of our nation's attorneys general this afternoon. I would like to offer a bit of context on the current situation related to drug trafficking and organized crime in Mexico; the efforts that are going on between our two countries to address this; and specifically how the attorneys general might be able to play a leading role in these efforts, which have profound implications for our home communities as well as for the country next door. As I will stress again later one, the issue of drug trafficking violence is not really a border issue at all, but rather a situation that affects all of us throughout the United States. As a result, the solutions are not just at the border either.

Rising Drug Trafficking Violence

Mexico had somewhere around 6,000 drug-related killings last year. The Mexican government has accurately defined this as the country's greatest threat and taken a valiant stance against organized crime, while trying to strengthen Mexico's police forces and judicial institutions.

Drug trafficking is not new to Mexico, of course. Mexico is next door to the United States, which remains the world's largest market for illegal narcotics. There have long been four drug trafficking organizations (often referred to as cartels) that have historically supplied marijuana and heroin to the U.S. market. Over the past fifteen years as drug trafficking organizations in Colombia came under increasing attack from their government and splintered

into smaller groups and the U.S. government helped shut down trafficking routes through the Caribbean, Mexican cartels gradually managed to take control of most of the transshipment routes for cocaine coming from South America and now concentrate as much as 90% of this. The Mexican cartels also began to produce synthetic drugs (especially methamphetamines) to complement the production already going on in the United States. As a result, these organized crime syndicates grew into highly sophisticated international criminal networks.

Meanwhile, Mexico underwent a dramatic transition to democracy over the past fifteen years, and a democratic society has been far less tolerant of drug trafficking than it was during previous authoritarian governments. These processes have happened simultaneously – the growth of drug trafficking in Mexico and greater public discontent over drug trafficking. As a result, the Mexican government has undertaken repeated efforts to dismantle drug cartels since the late 1990s.

However, these efforts intensified noticeably starting in 2006, when a new government under President Felipe Calderón took office. For the first time, the government has defined drug trafficking organizations as the country's greatest threat, and waged an all-out war on all four traditional trafficking organizations at the same time, while also trying to revamp the country's judicial and law enforcement institutions. In recent days, the government has also begun to identify and arrest local mayors and state officials who have collaborated with the cartels, for the first time taking a step towards prosecuting those who aid and abet organized crime from their positions of public trust.

One result of this campaign against organized crime has been to reshuffle the traditional alliances among cartels, interrupt their transshipment routes, eliminating key leaders, and sowing distrust among the remaining ones. This campaign has disturbed the existing equilibrium among traffickers and led to a spike in violence as some cartels have divided and others have turned on each other. Perhaps the most noticeable splits have been the Sinaloa Cartel, which saw the "Betlrán Leyva" brothers break off to found their own cartel, and the separation of the "Familia Michoacana" in Mexico's southwest from the Gulf Cartel in the north. Both of these new groups are particularly violent and have been fighting to control shipment routes they once shared with their former allies. Similarly, cartels in Juarez and Tijuana that were weakened by government operations have had to fight to defend their territory and transshipment points against the remaining groups. Most of the deaths we saw last year were among cartel leaders fighting these

battles against each other, but sometimes traffickers clash directly with police and the military, and increasingly civilians are being caught up in the violence.

However, we should not be distracted by the violence, as tragic as it is. The current spike in drug-related killings is a sign that the government is disturbing the comfortable equilibrium that once existed among traffickers, often with the consent of public authorities, and that it may even be on its way to breaking the cartels into smaller groups that have the potential to be less threatening to national security. However, when the violence goes down – and it may eventually when the cartels decide it is bad for business and build new alliances among themselves – we should not confuse that drop with the resolution of the problem. Organized crime tied to drug trafficking has penetrated Mexican institutions in new and dangerous ways, and the Mexican government and Mexican society are right to make this a priority for action.

Shared Responsibility

Fortunately, political leaders of both parties in the United States have understood that this is not just a Mexican problem. The United States, of course, has an important strategic interest in Mexico – a country with which we share a 2,000 mile border – remaining a stable and flourishing democracy. The current situation is a threat to Mexico's national security – not to the existence of the state itself, but to its ability to maintain control over parts of its territory. In addition, the violence risks flowing over into U.S. border communities and perhaps areas of the United States beyond the border. So far the Mexican cartels have been careful not to call attention to themselves in the United States (though some of the organized crime groups they work with in the United States are not always so careful), but this could always change.

Even more importantly, however, the United States is intimately tied to the problems that Mexico is facing with drug trafficking today. U.S. drug consumption, which has remained steady in recent years, drives the drug cartels and furnishes the financial and sometimes material resources that allow them to operate. According to a recent Department of Justice report, somewhere between $18 to 38 billion in narcotics sales flow back to Mexico each year to support the cartels' operation. This is a lucrative business, driven by narcotics profits in the United States, and the Mexican government is often outmatched in trying to address it. In addition, most of the high caliber assault weapons used by the traffickers appear to be coming from the

United States. It is not, of course, the only place they can get weapons, but the easiest and cheapest.

In late 2007 President Bush proposed the Merida Initiative to supply the Mexican government with $1.4 billion in equipment, software, and training to support law enforcement and judicial efforts in Mexico over three years. To date, a little over $1.1 billion has been appropriated, and I suspect this collaboration will continue for some time and probably go beyond the initial pledge. This year President Obama has met twice with Calderón to reaffirm U.S. support for Mexico's efforts and stressed the need for "shared responsibility" in dealing with drug trafficking. In addition to continuing support for the Merida Initiative, Obama has pledged to address the demand for drugs in the United States and to ramp up efforts to intercept the key inputs that fuel drug violence in Mexico: the flows of narcotics money and high caliber weapons that make their way southward across the U.S. border.

What Can Attorneys General Do?

There are at least ***four ways in which attorney generals play an important role in this current strategy for cooperation with Mexico to address drug trafficking***. Indeed, I would argue that what states do on these issues is almost as important as what the federal government does, if only because you are closer to the problem of drug trafficking and the way it impacts local communities, as well as the way that criminals organize on the ground to carry out their business. Since drug trafficking is not a border issue – this is something that goes on in all fifty states – it turns out that the most important solutions are not necessarily at the border either.

1. **Clearly the most important challenge that Mexico faces is for the long-term is to strengthen its judicial system and its law enforcement capabilities.** The weakness of these institutions is what has made the country an easy target for organized crime (along with the proximity to the United States). Mexico's Congress passed major legislation to reform the judicial system last year, which included a professionalization of prosecutors' offices to include new techniques for gathering evidence; the implementation of oral trials; and greater transparency in record keeping. They also passed a major reform bill on police reform, and are in the process of vetting all of the country's over 200,000 police

officers at a national training institute. ***There are many opportunities for attorneys general to support these efforts by sending their Spanish-speaking staff on programs to train Mexican counterparts. There are also good opportunities to visit Mexico to see first-hand what is going on to strengthen the country's judicial and law enforcement institutions and build relationships with counterparts who can benefit from sharing experiences.*** It might be worth organizing a delegation of Attorneys General to Mexico at some point under the auspices of the NAAG, and the Wilson Center would be more than happy to support this effort if there is interest.

2. **The most important challenge the United States faces to reduce drug trafficking is to reduce the demand for drugs.** As you know, there is no easy solution for this, but it is important that we start a serious debate in this country again on how we can prevent and treat addictions. It is at the state level where the most important efforts to do this are happening. ***State Attorneys General play a crucial role in driving the debate on drug policy reform to reduce and treat addictions and making sure the federal government invests in those efforts that are effective. Moreover, efforts to implement drug courts, alternative sentencing, and other measures that drive non-violent addicts into rehabilitation can play an important role in reducing the overall market for narcotics in this country and hurting the bottom line of organized crime organizations that thrive on drug money***.

3. **Much more can also be done to disrupt the flow of narcotics money that flows south from U.S. consumers to the Mexican cartels.** Increasingly traffickers are avoiding the financial system, including both banks and wire transfers (especially since new controls on money laundering were imposed after 9/11). Most drug proceeds now appear to be traveling to Mexico as bulk cash, literally as truckloads of bills heading down U.S. highways. Another more recent strategy that is gaining traction is the use of "prepaid cards" for moving money legally across borders. This is not a border issue – in fact, although border states (led by Arizona) have taken the lead in trying to do this, the border is often the most inefficient place to try to stop drug money since it is divided into smaller amounts by the time it reaches the border. ***Attorneys General can play an***

important role in disrupting the flow of narcotics money by working closely with federal, state, and local law enforcement agencies to identify the smuggling networks involved in this trade and bringing them to justice. It is, needless to say, important to separate out those transactions that are illicit from those that are legitimate, since efforts that affect the legitimate transfer of cash or wire transfers, especially among immigrants, can create a backlash against cooperation with law enforcement agencies.

4. **It is vital to disrupt the sale of high-caliber weapons from arms dealers to criminal organizations via straw purchasers.** Attorney General Goddard of Arizona has taken important strides in this effort by building a case against arms dealers who knowingly sell weapons to representatives of the Mexican cartels. This is not easy. Current law makes it difficult for the ATF to share information with state authorities about illegal arms sales. However, there are signs that some of these legal hurdles may be relaxed in the coming months, which would allow greater sharing of federal and state data on illegal sales. ***Border Attorneys General can play a dynamic role in making sure that arms deals who sell weapons knowingly to criminal enterprises in Mexico and straw purchasers who buy these weapons for the cartels are prosecuted to the full extent of the law.*** The cartels will, of course, find other ways to get high-caliber weapons, but it will complicate their operations and squeeze their bottom line, both of which are important advances in the struggle to limit the reach of organized crime.

Finally, it is worth mentioning that one of the measures that would most help both the federal government and state governments address drug trafficking more effectively is immigration reform. We currently spend an inordinate amount of federal and state resources trying to enforce an unenforceable immigration system. This has shaped our policies on the U.S.-Mexico border and our collaboration between the federal and state governments. In the end, a system that allows a larger number of hard-working people to have access to work-based visas would take pressure off the border and allow us to focus far better on fighting drug trafficking organizations that threaten the well-being of our communities at the border and beyond.