



# Mexico's Drug Trafficking Organizations: Source and Scope of the Rising Violence

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June 8, 2012

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R41576

**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## Summary

Violence has been an inherent feature of the trade in illicit drugs, but the violence generated by Mexico's drug trafficking organizations (DTOs) in recent years has been unprecedented and remarkably brutal. The tactics—including mass killings such as the widely reported massacres of young people and migrants, the use of torture and dismemberment, and the phenomena of car bombs—have led some analysts to speculate whether the violence has been transformed into something new, perhaps requiring a different set of policy responses. According to government and other data, the best estimates are that there have been slightly more than 50,000 homicides related to organized crime from December 2006 through December 2011.

It has also been suggested that the targets of the drug trafficking-related violence in Mexico have changed. In 2010, several politicians were murdered, including a leading gubernatorial candidate in Tamaulipas and 15 mayors. While fewer local officials were killed in 2011, there is concern that political violence could spike in 2012 in advance of presidential and congressional elections slated for July. Over the past few years, Mexico has come to be regarded as one of the most dangerous countries for journalists, with 10 reported killings in 2010 and another eight in 2011.

In December 2006, Mexico's newly inaugurated President Felipe Calderón launched an aggressive campaign against the DTOs—an initiative that has defined his administration—that has been met with a violent response from the DTOs. Of the seven most significant DTOs operating during the first five years of the Calderón Administration, the government successfully removed key leaders from each of them, through arrests or by death in arrest efforts. However, these efforts add to the dynamic of change—consolidation or fragmentation, succession struggles and new competition—that generate more conflict and violence. The DTOs fragmented and increasingly diversified into other criminal activities, now posing a multi-faceted organized criminal challenge to governance in Mexico.

U.S. citizens have also been victims of the security crisis in Mexico. In March 2010, three individuals connected to the U.S. consulate in Ciudad Juárez, two of them U.S. citizens, were killed by a gang working for one of the major DTOs operating in that city. In February 2011, two U.S. Immigration and Customs Enforcement (ICE) agents were shot, one fatally, allegedly by Los Zetas, one of Mexico's most violent DTOs. In the U.S. Congress, these events have raised concerns about the stability of a strategic partner and neighbor. Congress is also concerned about the possibility of “spillover” violence along the U.S. border and further inland. The 112<sup>th</sup> Congress has held several hearings on DTO violence, the efforts by the Calderón government to address the situation, and implications of the violence for the United States. Members have maintained close oversight of U.S.-Mexico security cooperation and related bilateral issues.

This report provides background on drug trafficking in Mexico: it identifies the major DTOs; how the organized crime “landscape” has been altered by fragmentation; and analyzes the context, scope, and scale of the violence. It examines current trends of the violence, analyzes prospects for curbing violence in the future, and compares it with violence in Colombia. For background on U.S. policy responses to the security crisis in Mexico, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*. For a discussion of the problem of violence “spilling over” into the United States, see CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*. For general background on Mexico, see CRS Report RL32724, *Mexico: Issues for Congress*.

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## Introduction

The brutal drug trafficking-related violence in Mexico has been dramatized graphically by beheadings, public hanging of corpses, killing of innocent bystanders, car bombs, torture, and assassination of numerous journalists and government officials. Beyond the litany of these brazen crimes, the violence has also spread deeper into Mexico's interior over the course of 2011. Organized crime groups have fragmented and diversified their crime activities, turning to extortion, kidnapping, auto theft, human smuggling, resource theft and other illicit enterprises. In March 2012, head of the U.S. Northern Command General Charles Jacoby testified to the Senate Armed Services Committee that Mexico had succeeded in capturing or killing 22 out of 37 of Mexico's most wanted drug traffickers identified by the Mexican government. Despite these operations, General Jacoby noted that the removal of these crime leaders had not had "any appreciable positive effect" in reducing the violence, which continued to climb in 2011.<sup>1</sup>

According to the estimates of the University of San Diego's Trans-Border Institute (TBI), the actual number of organized crime-related murders exceeded 16,000 last year. When President Calderón's six-year term draws to a close late in 2012, an average of 10,000 organized crime-related murders per year will have taken place in each year of his term if current projections hold. According to the Mexican government, there was an 11% increase of organized crime-related murders in the first nine months of 2011, over the same period in 2010. However, the *rate* of increase is much lower than the nearly 60% increase between 2009 and 2010, leading some analysts to forecast that the number of killings is beginning to decline. Because casualty estimates are reported differently by the Mexican government from the media outlets that track the violence, there is some debate on exactly how many have perished. This report favors government data, but it has not always been reported promptly or completely. (See "Casualty Estimates in Context and for Special Populations.")

Violence is an intrinsic feature of the trade in illicit drugs. As in other criminal endeavors, violence is used by traffickers to settle disputes, and a credible threat of violence maintains employee discipline and a semblance of order with suppliers, creditors, and buyers.<sup>2</sup> This type of drug trafficking-related violence has occurred routinely and intermittently in U.S. cities since the early 1980s. The violence now associated with drug trafficking organizations in Mexico is of an entirely different scale. In Mexico, the bloodletting is not only associated with resolving disputes or maintaining discipline, but it is directed toward the government and the news media, and is not bounded by traditional objectives of such violence.

With national elections in both the United States and Mexico in 2012,<sup>3</sup> the bilateral efforts to confront organized crime and reduce the violence are at an important crossroads. Some are concerned that candidates in Mexico may be subject to intimidation, threats, and perhaps

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<sup>1</sup> General Charles Jacoby Jr., Commander of U.S. Northern Command, Senate Armed Services Committee, Hearing on the Proposed Fiscal 2013 Defense Authorization as it Relates to the U.S. Southern and Northern Commands, (transcript), March 13, 2012.

<sup>2</sup> Robert J. MacCoun and Peter Reuter, *Drug War Heresies: Learning from Other Times, Vices and Places* (New York: Cambridge University Press, 2001); Kevin Jack Riley, *Snow Job? The War Against International Cocaine Trafficking* (New Brunswick: Transactional Publishers, 1996).

<sup>3</sup> For more background on the Mexican elections, see CRS Report R42548, *Mexico's 2012 Elections*, by Clare Ribando Seelke.

violence. In municipal and state elections in Mexico in 2010, several local office holders and candidates were killed allegedly by traffickers. For example, on June 28, 2010, Tamaulipas gubernatorial candidate Rodolfo Torre Cantú of the Institutional Revolutionary Party (PRI) party was killed, the highest level political assassination in 15 years, allegedly by the drug trafficking organizations (DTOs).<sup>4</sup> In addition, 15 mayors, most from small towns, were killed during the year (see **Figure 4**). The 2010 uptick in political assassinations occurred during an important election year, but threats and assassinations have also taken place involving a more limited number of races. In elections held in Michoacán state in late 2011, organized crime groups reportedly intimidated National Action Party (PAN) sympathizers (President Calderón's party) and killed a PAN mayor in early November. (A total of six mayors were slain in 2011). Some analysts anticipate DTO-initiated threats may interrupt the 2012 congressional and presidential campaigns and elections. Indeed, there was an upsurge of extreme violence in April and May 2012 when at least 111 severely brutalized corpses were discovered in different locations in the country in a six-week period.<sup>5</sup> The government and most analysts, however, have not linked these atrocities to the election campaigns and have suggested instead that they represent a "heating up" of criminal rivalries.

There have also been highly publicized attacks on drug rehabilitation centers, private parties (often with teenagers killed), the deadly firebombing of a casino in Monterrey killing 52 patrons and employees, and a steady attack on Mexico's journalists. In September 2010, the leading newspaper in Ciudad Juárez published an editorial to seek a truce with the DTOs it identified as the "de facto authorities" in the city.<sup>6</sup> According to the OAS's Special Rapporteur on Freedom of Expression, 10 communications workers were killed in Mexico during 2011, including eight professional journalists.<sup>7</sup>

In late August 2010, 72 Central and South American migrants passing through Mexico were found massacred in Tamaulipas. According to a survivor, Los Zetas attempted to recruit the migrants to assist in moving drugs and killed them when they refused. The Zetas are reported to be significantly involved in human smuggling.<sup>8</sup> In 2011, the DTOs' recruitment of children became another prominent concern, with reports that over 1,000 children have been killed in the fighting since Calderón came to office. From March through May 2011, mass graves were discovered in Durango and Tamaulipas, adding to the death toll linked to the DTOs in those states.

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<sup>4</sup> While the term "cartel" was commonly applied to Colombian and Mexican organizations and is used frequently in the press and elsewhere, this report favors the use of the term "drug trafficking organizations." Today's Mexican DTOs are not necessarily engaged in price-fixing and other forms of collusive economic activity ascribed to cartels.

<sup>5</sup> William Booth, "Attacks Grow Ever More Gruesome in Mexico," *Washington Post*, May 24, 2012.

<sup>6</sup> Following the murder of a second journalist on the staff at *El Diario* newspaper in Ciudad Juárez, the editor published a plea to the DTOs to consider a truce after asking openly "what do you want of us?" in an editorial September 19, 2010. The Mexican government condemned the idea of a truce, although the editorial was published because the paper said that the authorities could not guarantee the safety of their colleagues.

<sup>7</sup> Dr. Catalina Botero, *Annual Report of the Office of the Special Rapporteur for Freedom of Expression*, Office of the Special Rapporteur for Freedom of Expression, Document 69, Washington, DC, December 30, 2011, <http://www.oas.org/en/iachr/expression/docs/reports/annual/2012%2003%2021%20Annual%20Report%20RELE%202011pimting.pdf>.

<sup>8</sup> Sofía Miselem, "Migrant Massacre Challenges Mexico Anti-Crime Strategy," *Agence France Presse*, August 31, 2010; "Drug Cartel Suspected in 72 Migrants' Deaths," *NPR: Morning Edition*, August 26, 2010; Tim Johnson, "Violent Mexican Drug Gang, Zetas, Taking Control of Migrant Smuggling," *Miami Herald*, August 12, 2011.

## Mexico's Strategy

Since coming to office in December 2006, after winning the presidency with a very slim margin, President Calderón made an aggressive campaign against the DTOs the centerpiece of his administration's policy. He called the increased drug trafficking violence a threat to the Mexican state and sent thousands of military troops and federal police to combat the DTOs in drug trafficking "hot spots" throughout the country. The federal crackdown on the DTOs led by the well-regarded Mexican military was met with violent resistance by the trafficking organizations. At the same time, there have been some dramatic successes in capturing and arresting drug leaders. According to the U.S. Drug Enforcement Administration (DEA), more than 35 "high value targets"—DTO leaders identified mutually by the U.S. and Mexican governments—were arrested or killed in operations to detain them between January 2010 and July 2011. The pace of removing mid- and high-level DTO leaders has increased sharply during the Calderón Administration.<sup>9</sup>

However, the so-called kingpin strategy, of taking down top DTO leaders, which worked to fragment and help destroy the Cali and Medellín organizations in Colombia in the 1990s, has not been replicated as successfully in Mexico to date. Many analysts maintain that the implementation of the kingpin strategy in Mexico has created more instability and, at least in the near term, more violence.<sup>10</sup> These analysts suggest that intense but unfocused enforcement efforts against the DTOs have increased fragmentation and upset whatever equilibrium the organizations are trying to establish by their displays of violent power.<sup>11</sup> As a result, the violence in Mexico is more extensive, more volatile, and less predictable.

Communities that have experienced increases in drug trafficking-related violence, such as Monterrey, have successfully called for troops of the Mexican army and marines to be sent to protect them. Despite government efforts, President Calderón's strategy has been criticized for not reducing the violence which continued to increase through 2011, while sharply increasing human rights violations by the military, which is largely untrained in domestic policing.<sup>12</sup> President Calderón has indicated that he does not foresee turning the drug war over to the Mexican police, and that he expects to stay the course with a large military presence through the end of his term in 2012.

As violence continues to escalate and reach more of Mexico's territory, some observers and policy analysts are raising concerns about the Mexican state's stability. The U.S. government and the administration of Mexican President Felipe Calderón strongly deny the so-called "failed state" thesis that was put forward by some analysts in 2008 and 2009, which suggested that the Mexican government was no longer exercising sovereignty in all areas of the country.<sup>13</sup> However, in early

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<sup>9</sup> CRS interview with DEA officials on August 5, 2011.

<sup>10</sup> Shannon K. O'Neil, "Drug Cartel Fragmentation and Violence," Council on Foreign Relations Blog, August 9, 2011.

<sup>11</sup> Some studies have shown that violence tends to escalate after a government launches a major law enforcement initiative against a DTO or other organized crime group. See, for example, International Centre for Science in Drug Policy, *Effect of Drug Law Enforcement on Drug-Related Violence: Evidence from a Scientific Review*, 2010.

<sup>12</sup> See, for example, Human Rights Watch, *Neither Rights nor Security: Killings, Torture, and Disappearances in Mexico's "War on Drugs"*, November 2011.

<sup>13</sup> The potential for a rapid and sudden decline in Mexico because of the undermining influence of criminal gangs and DTOs was widely debated. See, for example, United States Joint Forces Command, "The Joint Operating Environment 2008: Challenges and Implications for the Future Joint Force," December 2008.

August 2010, when President Calderón initiated a series of meetings to open up public dialogue about his counterdrug strategy, he described the violence perpetrated by the DTOs as “a challenge to the state, an attempt to replace the state.”<sup>14</sup> While some observers consider parts of Mexico lost to DTO control, this is definitely not the case for most of the country.<sup>15</sup>

In September 2010, U.S. Secretary of State Hillary Clinton, in remarks to the Council on Foreign Relations, said that the violence by the DTOs in Mexico may be “morphing into or making common cause with what we would call an insurgency.”<sup>16</sup> This characterization was quickly rejected by the Mexican government and revised by then- Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela, the Director of the White House’s Office of National Drug Control Policy Gil Kerlikowske, and later reportedly by President Barack Obama.<sup>17</sup> It became clear that the Obama Administration generally rejects the term “insurgency” to describe the violence of drug traffickers in Mexico and their objectives. However, many U.S. government officials have concerns about the Mexican government’s capacity to lower the violence in Mexico and control insurgent-like or terrorist tactics being employed by the DTOs.

Mexico’s stability is of critical importance to the United States and the nature and the intensity of the violence has been of particular concern to the U.S. Congress. This immense neighbor shares a nearly 2000-mile border with the United States and has close trade and demographic ties. In addition to U.S. concern about this strategic partner and close neighbor, policy makers are concerned that the violence in Mexico could “spill over” into U.S. border states or further inland despite beefed up security measures. According to the 2011 *National Drug Threat Assessment*, the potential harm of Mexico’s organizations is formidable. Mexican DTOs and their affiliates “dominate the supply and wholesale distribution of most illicit drugs in the United States” and are present in more than 1,000 U.S. cities.<sup>18</sup>

## **Congressional Concerns**

The 111<sup>th</sup> Congress held more than 20 hearings dealing with the violence in Mexico, U.S. foreign assistance, and border security issues. Related hearings have continued during the 112<sup>th</sup> Congress. Congressional concern heightened after the March 2010 killing of three individuals connected to

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<sup>14</sup> President Calderón’s full statement at the security conference was, “This criminal behavior is what has changed, and become a challenge to the state, an attempt to replace the state.” See Tracy Wilkinson and Ken Ellingwood, “Cartels Thrive Despite Calderon’s Crackdown; Drug Gangs Have Expanded Their Power and Reach in both Mexico and the United States,” *Los Angeles Times*, August 8, 2010.

<sup>15</sup> William Finnegan, “Silver or Lead,” *The New Yorker*, May 31, 2010. Mexican crime expert, Edgardo Buscaglia, argues that about one-third of Mexican municipalities are controlled by organized crime. See, “Point Person: Our Q & A with Edgardo Buscaglia,” *Dallas Morning News*, April 9, 2010.

<sup>16</sup> “A Conversation with U.S. Secretary of State Hillary Rodham Clinton,” Council on Foreign Relations, September 8, 2010. Transcript available at [http://www.cfr.org/publication/22896/conversation\\_with\\_us\\_secretary\\_of\\_state\\_hillary\\_rodham\\_clinton.html](http://www.cfr.org/publication/22896/conversation_with_us_secretary_of_state_hillary_rodham_clinton.html).

<sup>17</sup> Assistant Secretary of State Valenzuela and Director of the White House Office of National Drug Control Policy Kerlikowske made remarks at the annual Conference on the Americas qualifying what Secretary of State Clinton had said earlier in the day, September 8, 2010. President Obama was reported to have negated the comparison of Mexico to Colombia 20 years ago in comments he made to the Spanish language newspaper *La Opinion*. The White House did not provide an English translation of the remarks printed in *La Opinion*. See: “Mexico Drug War Not Comparable to Colombia: Obama,” *Reuters*, September 10, 2010, at <http://www.reuters.com/article/idUSTRE6885TH20100910>.

<sup>18</sup> U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment: 2011*, August 2011, <http://www.justice.gov/ndic/pubs44/44849/44849p.pdf>. (Hereafter referred to as the NDTA). The NDTA 2011 estimated that the Mexican DTOs maintain drug distribution networks in 1,000 U.S. cities.

the U.S. consulate in Ciudad Juárez, Mexico, and the murder of Jaime Zapata, a U.S. ICE agent, on February 15, 2011. Following the explosion of a car bomb in July 2010 that was allegedly planted by a drug trafficking organization in Ciudad Juárez (killing four), additional car bombs have been exploded in border states and elsewhere. These acts and occasional use of grenades and rocket launchers have raised widespread concern that some Mexican drug traffickers may be adopting insurgent or terrorist techniques. Congress has expressed its concern over the escalating violence by enacting resolutions and considering legislation.

## Background on Drug Trafficking in Mexico

Drug trafficking organizations have operated in Mexico for more than a century. The DTOs can be described as global businesses with forward and backward linkages for managing supply and distribution in many countries. As businesses, they are concerned with bringing their product to market in the most efficient way in order to maximize their profits. The Mexican DTOs are the major wholesalers of illegal drugs in the United States and are increasingly gaining control of U.S. retail level distribution through alliances with U.S. gangs. Their operations, however, are markedly less violent in the United States than in Mexico despite their reported presence in more than 1,000 U.S. cities.<sup>19</sup> The DTOs use the tools of bribery and violence, which are complementary. Violence is used to discipline employees, enforce transactions, limit the entry of competitors, and coerce. Bribery and corruption help neutralize government action against the DTOs, ensure impunity, and facilitate smooth operations.

The proceeds of drug sales (either laundered or as cash smuggled back to Mexico) are used in part to corrupt U.S. and Mexican border officials<sup>20</sup> and Mexican law enforcement, security forces, and public officials to either ignore DTO activities or to actively support and protect them. Mexican DTOs advance their operations through widespread corruption; when corruption fails to achieve cooperation and acquiescence, violence is the ready alternative. Police corruption has been so extensive that law enforcement officials working for the DTOs sometimes carry out their violent assignments. Purges of municipal, state, and federal police have not contained the problem. The continuing challenge of police corruption was illustrated in the August 2010 firing of 3,200 officers, about 10% of the 34,500-person federal force, by Mexico's Federal Police Commissioner after they failed basic integrity tests.<sup>21</sup>

Arrests of public officials accused of cooperating with the DTOs have not been followed by convictions. For example in May 2009, federal authorities arrested 10 Mexican mayors and 18 other state and local officials in the president's home state of Michoacán for alleged ties to drug trafficking organizations. All but one individual were subsequently released because their cases did not hold up in court.<sup>22</sup> In 2011, the former mayor of the resort city Cancun, Gregorio "Greg"

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<sup>19</sup> The NDTA, 2010, February 2010, states "Direct violence similar to the violence occurring among major DTOs in Mexico is rare in the United States." For a discussion of why the violence has not spread into the United States, see CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*, coordinated by Kristin M. Finklea.

<sup>20</sup> For further discussion of corruption of U.S. and Mexican officials charged with securing the border, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>21</sup> "Mexico Politics: Whither the War on Drugs?," *Economist Intelligence Unit*, September 2, 2010.

<sup>22</sup> David Luhnow, "Questions Over Tape Face Mexico Politician," *Wall Street Journal*, October 16, 2010. In the U.S. Department of State's 2011 *International Narcotics Control Strategy Report* it identifies the arrest of 38 officials and (continued...)



Sanchez, was released 14 months after his arrest on drug trafficking and money laundering charges when his case collapsed in federal court.<sup>23</sup> Similarly, the former mayor of Tijuana, Jorge Hank Rhon, was released less than two weeks after his arrest in June 2011 on weapons and murder charges due to mistakes made in the arrest procedures.<sup>24</sup> The corruption has taken place in states and localities governed by each of the three major political parties in Mexico, indicating that no party is immune.<sup>25</sup>

The relationship of Mexico's drug traffickers to the government and to one another is now a rapidly evolving picture and any current snapshot (such as the one provided in this report) must be continually adjusted. In the early 20<sup>th</sup> century, Mexico was a source of marijuana and heroin to the United States, and by the 1940s, Mexican drug smugglers were notorious in the United States.<sup>26</sup> The growth and entrenchment of Mexico's drug trafficking networks occurred during a period of one-party rule in Mexico by the PRI, which governed for 71 years.<sup>27</sup> During that period, the government was centralized and hierarchical, and, to a large degree, it tolerated and protected some drug production and trafficking in certain regions of the country, even though the PRI government did not generally tolerate crime.<sup>28</sup> According to numerous accounts, for many years the Mexican government pursued an overall policy of accommodation. Under this system, arrests and eradication of drug crops took place, but due to the effects of widespread corruption the system was "characterized by a working relationship between Mexican authorities and drug lords" through the 1990s.<sup>29</sup>

The stability of the system began to fray in the 1990s as Mexican political power decentralized and the push toward democratic pluralism began first at the local level and then nationally with the election of the National Action Party (PAN) candidate Vicente Fox as president in 2000.<sup>30</sup> The process of democratization upended the equilibrium that had developed between state actors (such as the Federal Security Directorate that oversaw domestic security from 1947 to 1985) and organized crime. No longer were certain officials able to ensure the impunity of drug traffickers to the same degree and to regulate competition among Mexican DTOs for drug trafficking routes, or *plazas*. To a large extent, DTO violence directed at the government appears to be an attempt to re-establish impunity while the inter-cartel violence seems to be attempts to re-establish dominance over specific drug trafficking plazas. The intra-DTO violence (or violence inside the organizations) reflects reaction to suspected betrayals and the competition to succeed killed or arrested leaders.

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police in Michoacán in 2009, 37 of whom were released for lack of evidence.

<sup>23</sup> Tracy Wilkinson, "Ex-Mayor of Cancun Released as Case Appears to Collapse," *Los Angeles Times*, July 21, 2011.

<sup>24</sup> Trans-Border Institute (TBI), Justice in Mexico, *June 2011 News Report*.

<sup>25</sup> Luis Astorga and David A. Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper Series on U.S.-Mexico Security Cooperation, April 2010, p. 11.

<sup>26</sup> *Ibid.* p. 4.

<sup>27</sup> For more on the political history of Mexico, see CRS Report RL32724, *Mexico: Issues for Congress*, by Clare Ribando Seelke.

<sup>28</sup> Astorga and Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies*, p. 5.

<sup>29</sup> Francisco E. Gonzalez, "Mexico's Drug Wars Get Brutal," *Current History*, February 2009.

<sup>30</sup> Shannon O'Neil, "The Real War in Mexico: How Democracy Can Defeat the Drug Cartels," *Foreign Affairs*, vol. 88, no. 4 (July/August 2009).

Before this political development, an important transition in the role of Mexico in the international drug trade took place during the 1980s and early 1990s. As Colombian DTOs were forcibly broken up, the highly profitable traffic in cocaine to the United States was gradually taken over by Mexican traffickers. The traditional trafficking route used by the Colombians through the Caribbean was shut down by intense enforcement efforts of the U.S. government. As Colombian DTOs lost this route, they increasingly subcontracted the trafficking of cocaine produced in the Andean region to the Mexican DTOs, who they paid in cocaine rather than cash. These already strong organizations gradually took over the cocaine trafficking business, evolving from being mere couriers for the Colombians to being the wholesalers they are today. As Mexico's drug trafficking organizations rose to dominate the U.S. drug markets in the 1990s, the business became even more lucrative. This "raised the stakes," which encouraged the use of violence in Mexico to protect and promote market share. The violent struggle between DTOs over strategic routes and warehouses where drugs are consolidated before entering the United States reflects these higher stakes.

Today the major Mexican DTOs are polydrug, handling more than one type of drug although they may specialize in the production or trafficking of specific products. Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the principal transit country for cocaine sold in the United States.<sup>31</sup> The west coast state of Sinaloa (see map in **Figure 1**), which has a long coastline and difficult-to-access areas favorable for drug cultivation, is the heartland of Mexico's drug trade. Marijuana and poppy cultivation has flourished in this state for decades.<sup>32</sup> It has been the source of Mexico's most notorious and successful drug traffickers. In April 2012, violence began to spike in Sinaloa including a lengthy engagement with Mexican military and police, thought to be caused by resident drug traffickers protecting their drug growing turf or an important leader.<sup>33</sup>

According to the U.S. State Department's *2012 International Narcotics Control Strategy Report*, about 95% of the cocaine that is seized in the United States has transited the Central America/Mexico corridor. In the United States, the availability of cocaine began to decline in 2009, which some authorities have attributed in part to an increase in law enforcement efforts in both Mexico and the United States. Coca production in Colombia has also declined, and there has been an increasing flow of Colombian cocaine to other regions such as West Africa and Europe. At the same time, cultivation of opium poppy (from which heroin is derived) and marijuana doubled in Mexico between 2006 and 2011.<sup>34</sup> The U.S. government estimated that Mexico produced 19,500 hectares of poppy in 2009, surpassing Burma as the second-largest cultivator of poppy in the world.<sup>35</sup> Domestic consumption of heroin inside Mexico is increasing. Production of

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<sup>31</sup> U.S. Department of State, *2011 International Narcotics Control Strategy Report (INCSR)*, March 2011.

<sup>32</sup> The region where Sinaloa comes together with the states of Chihuahua and Durango is a drug-growing area sometimes called Mexico's "Golden Triangle" after the productive area of Southeast Asia by the same name. In this region, a third of the population is estimated to make their living from the illicit drug trade. See Tim Johnson, "For Mexican Cartels, Marijuana is Still Gold," *San Jose Mercury News*, September 5, 2010.

<sup>33</sup> STRATFOR, [Formerly *Stratfor Global Intelligence*, a subscription database], "Mexico Security Memo: Long Fight Between Military, Gunmen in Sinaloa," May 2, 2012.

<sup>34</sup> IHS Jane's, *Jane's Sentinel Security Assessment - Security, Mexico*, February 6, 2012. The report notes that one reason the illicit crops have increased in Mexico is that eradication by Mexican military has decreased over recent years because those forces have been deployed to combat organized crime.

<sup>35</sup> U.S. Department of State, *INCSR 2011*. The report states notes "While opium poppy cultivation in Mexico is very sparse in comparison to the densities estimated in Burma and Afghanistan, Mexico's share of global poppy production has been increasing in recent years." Mexico only produces 7% of the world's supply of heroin, but is the major supplier of heroin to the United States. However, some authorities in Mexico question the size of the poppy cultivation (continued...)

methamphetamine is also believed to be climbing, suggested by the number of laboratories that were destroyed by the Mexican authorities in 2009 (three times greater than the year before).<sup>36</sup>

## Mexico's Major Drug Trafficking Organizations

The DTOs have been in constant flux. By some accounts, when President Calderón came to office in December 2006, there were four dominant DTOs: the Tijuana/Arellano Felix organization (AFO), the Sinaloa cartel, the Juárez/Vicente Carrillo Fuentes organization (CFO), and the Gulf cartel.

Since then, the more stable organizations that existed in the earlier years of the Calderón Administration have fractured into many more groups. For a time, according to the U.S. DEA, seven organizations were dominant. These included Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, and La Familia Michoacana. However, many analysts suggest that these seven now seem to have fragmented to between 12 and as many as 20 organizations. Today, two large “national” DTOs—Sinaloa and Los Zetas—appear to be preeminent. But the diversification into other crime, the ephemeral prominence of new gangs and DTOs, and shifting alliances make a static DTO landscape difficult to portray.

For instance, the Gulf cartel, based in northeastern Mexico, had a long history of dominance in terms of power and profits with the zenith of its power in the early 2000s. However, the Gulf cartel's enforcers—Los Zetas, who were organized around Mexican military deserters—split to form a separate DTO and turned against their former employers. The well-established Sinaloa DTO, with roots in western Mexico, has fought brutally for increased control of routes through Chihuahua and Baja California with the goal of becoming the dominant DTO in the country. Sinaloa has a more decentralized structure of loosely linked smaller organizations, which has been susceptible to conflict when units break away. Nevertheless, the decentralized structure has enabled it to be quite adaptable in the highly competitive and unstable environment that now prevails.<sup>37</sup> Finally, La Familia Michoacana—a DTO based in the Pacific southwestern state of Michoacán and influential in surrounding states—split apart in early 2011 and has fought a bitter turf battle with its violent successor, the Knights Templar, that is expected to continue.

From open source research, there is more available information about the seven “traditional” DTOs (and their successors). Current information about the array of new regional and local crime groups is more difficult to assess. The seven organizations and their successors are still operating, both in conflict with one another and at times working in collaboration. A brief sketch of each of these groups, portrayed in **Figure 1** (the U.S. DEA map from January 2012), follows:

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(...continued)

estimates of the U.S. government and the United Nations. See Steven Dudley, “Raw Feed: Making Sense of Mexico's Heroin Production,” *In Sight: Organized Crime in the Americas*, March 7, 2011, at <http://insightcrime.org/insight-latest-news/item/649-rawfeed-deciphering-mexicos-rise-in-heroin-productio>.

<sup>36</sup> William Booth and Anne-Marie O'Connor, “Mexican Cartels Emerge as Top Source for U.S. Meth,” *Washington Post*, November 28, 2010.

<sup>37</sup> Oscar Becerra, “Traffic Report - Battling Mexico's Sinaloa Cartel,” *Jane's Information Group*, May 7, 2010. The author describes the networked structure: “The Sinaloa Cartel is not a strictly vertical and hierarchical structure, but instead is a complex organization containing a number of semi-autonomous groups.”

**Tijuana/Arellano Felix Organization (AFO).** One of the founders of modern Mexican DTOs, Miguel Angel Felix Gallardo, a former police officer from Sinaloa, created a network that included the Arellano Felix family, and numerous other DTO leaders such as Rafael Caro Quintero, Amado Carrillo Fuentes, and current fugitive Joaquín “El Chapo” Guzmán. The seven “Arellano Felix” brothers and four sisters inherited the drug fiefdom (AFO) from their uncle, Miguel Angel Felix Gallardo, after his arrest in 1989 for the murder of DEA Special Agent Enrique “Kiki” Camarena.<sup>38</sup>

By the late 1990s and the early 2000s, this DTO, based in Tijuana, was one of the two dominant organizations, and competed against the more powerful Juárez organization. The AFO structure began to dissolve after several of its leaders were arrested. Of the Arellano Felix brothers, in 2002 Ramón was killed and Benjamin was later arrested. In October 2008, Eduardo Arellano, the last of the five brothers involved in the drug business, was apprehended in Tijuana.

A bloody battle for control broke out in 2008 when the AFO organization split into two factions. In the vacuum left by the arrests of the AFO’s key players, other DTOs in the region attempted to assert control over the profitable Tijuana/Baja California-San Diego/California border plaza. The AFO suffered another blow when Eduardo Teodoro “El Teo” Garcia Simental, a former AFO lieutenant, aligned himself with the Sinaloa cartel, which led to a surge of violence in Tijuana.<sup>39</sup> Since the January 2010 arrest of Garcia Simental, violence in Tijuana has markedly decreased.<sup>40</sup> Some observers have claimed the decrease in violence is an important law enforcement success, while others suggest competing DTOs may have come to an agreement on the use of the drug trafficking route.<sup>41</sup>

Fernando Sanchez Arellano (alias “El Ingeniero”) is a nephew of the founding Arellano Felix brothers. According to several sources, he maintains leadership of the diminished AFO (also known as the Tijuana DTO). *STRATFOR* reports that he has worked out a deal with the dominant Sinaloa organization to pay a fee for the right to use the lucrative plaza once under the AFO’s control.<sup>42</sup> Other analysts suggest the Tijuana leader is purposefully maintaining a low profile to reduce attention from the media and Mexican government while maintaining a steady business moving drugs North into California.<sup>43</sup>

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<sup>38</sup> Special Agent Camarena was an undercover DEA agent working in Mexico who was kidnapped, tortured, and killed in 1985. The Felix Gallardo network broke up in the wake of the investigation of its role in the murder. The famous case and ensuing investigation is chronicled on a DEA website honoring Agent Camarena at [http://www.justice.gov/dea/ongoing/red\\_ribbon/redribbon\\_history.html](http://www.justice.gov/dea/ongoing/red_ribbon/redribbon_history.html).

<sup>39</sup> This turf battle resulted in more than 400 deaths in the final quarter of 2008. See Viridian Rios and Gabriel Aguilera, “Keys to Reducing Violence in Mexico: Targeted Policing and Civic Engagement,” *ReVista*, vol. XI, no. 2 (Winter 2012).

<sup>40</sup> Sandra Dibble, “Tijuana Violence Slows, Drops from Spotlight,” *San Diego Union Tribune*, April 26, 2010. Following the January 12, 2010 arrest of Teodoro “El Teo” Garcia Simental, on February 8, 2010 his brother, Manuel, and their chief lieutenant Raydel Lopez Uriarte, were arrested. For more information, see testimony of Anthony P. Placido, Assistant Administrator for Intelligence, Drug Enforcement Administration and Kevin L. Perkins, Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, before the Senate Caucus on International Narcotics Control, May 5, 2010.

<sup>41</sup> Interview with David Shirk, Director of the Trans-Border Institute, University of San Diego, May 13, 2010. For more background on the role of Tijuana authorities in the reduction of violence, see Rios and Aguilera, “Keys to Reducing Violence in Mexico.”

<sup>42</sup> *STRATFOR*, “Mexican Drug Wars Update: Targeting the Most Violent Cartels,” July 21, 2011.

<sup>43</sup> Patrick Corcoran, “A Survey of Mexico’s Trafficking Networks,” *In Sight: Organized Crime in the Americas*, June 27, 2011.

**Sinaloa DTO.** This organization retains the Sinaloa core that has descended from the Felix Gallardo network. Headed by the fugitive prison escapee and billionaire Joaquín “El Chapo” Guzmán, the Sinaloa DTO emerged as an effective leader in moving cocaine from South America to the United States. Early in 2008, a federation dominated by the Sinaloa cartel (which included the Beltrán Leyva organization and the Juárez cartel) broke apart. Sinaloa, still composed of a network of smaller organizations, has grown to be the dominant DTO operating in Mexico today, controlling by one estimate 45% of the drug trade in Mexico.<sup>44</sup> In addition to Guzmán, top leadership of the DTO includes Ismael “El Mayo” Zambada García.<sup>45</sup> Examining arrest data of the Calderón antidrug effort, some analysts believe they have detected a pattern of arrests demonstrating favor toward the Sinaloa DTO whose members have not been arrested at the same rates as competing DTOs. President Calderón has strongly denied any accusation of favoritism.<sup>46</sup> The Mexican military’s July 2010 killing of Ignacio Coronel Villarreal (alias “El Nacho”), reportedly the third-highest leader overseeing Sinaloa operations in central Mexico, has given credence to the argument that Sinaloa has taken serious hits like the others.

Sinaloa reportedly has a substantial presence in some 50 countries, including throughout the Americas, Europe, West Africa, and Southeast Asia.<sup>47</sup> Often described as the most powerful mafia organization in the Western Hemisphere, Sinaloa is also reported to be the most cohesive. In 2011, it expanded operations into Mexico City, and into Durango, Guerrero, and Michoacán states while continuing its push into territories in both Baja California and Chihuahua once controlled by the Tijuana and Juárez DTOs. Sinaloa experienced several arrests of some of its leaders in the spring of 2011, but some of these may have been the result of betrayals to weed out threats from within the DTO.<sup>48</sup>

**Juárez/Vicente Carrillo Fuentes Organization.** This DTO is led by Vicente Carrillo Fuentes, who took over from his brother Amado, founder of the DTO, who died in 1997. Vicente oversaw the operations when the Juárez DTO was part of the Sinaloa federation from which it split in 2008.<sup>49</sup> The Juárez DTO and its enforcement arm, La Línea, have ferociously fought their former Sinaloa ally to maintain their core territory, the Ciudad Juárez corridor abutting El Paso, Texas. Since 2008, this inter-DTO battle has raged, resulting in thousands of deaths in Ciudad Juárez,

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<sup>44</sup> “Outsmarted by Sinaloa: Why the Biggest Drug Gang Has Been Least Hit,” *Economist*, January 7, 2010.

<sup>45</sup> The son (Jesus Vicente Zambada) and brother (Jesus Zambada García) of Zambada García are in U.S. custody. The son of the Sinaloa cartel leader was arrested in March 2009 and extradited to the United States in 2010, and has alleged in U.S. federal court that he was ineligible for narcotics trafficking charges because of immunity he earned by being an informant for the DEA (a claim rejected by a Chicago Federal Judge in April 2012 in advance of his trial which is slated to begin in October 2012). The brother, who was arrested in Mexico in 2008, was extradited to the United States on April 3, 2012 and faces eight charges of drug trafficking and one of involvement in organized crime. Edward Fox, “Mexican Drug Lord Fails to Prove He Was Informant,” *In Sight: Organized Crime in the Americas*, April 6, 2012; “Top Member of Sinaloa Cartel, ‘El Rey’ Zambada, Extradited to United States,” TBI, Justice in Mexico, *April 2012 News Report*.

<sup>46</sup> Ibid. See also: John Burnett and Marisa Peñaloza, “Mexico’s Drug War: A Rigged Fight,” *NPR, All Things Considered*, May 18, 2010.

<sup>47</sup> Geoffrey Ramsey, “Colombian Officials Arrest Money Launderer for ‘Chapo’ Guzman,” *In Sight: Organized Crime in the Americas*, August 11, 2011.

<sup>48</sup> STRATFOR, “Mexican Drug Wars Update: Targeting the Most Violent Cartels,” July 21, 2011.

<sup>49</sup> Some analysts trace the origins of the split to a personal feud between “El Chapo” Guzmán of the Sinaloa DTO and former ally Vicente Carrillo Fuentes. In 2004, Guzmán allegedly ordered the killing of Rodolfo Carrillo Fuentes, another of Vicente’s brothers. Guzmán’s son, Edgar, was killed in May 2008 allegedly on orders from Carrillo Fuentes. See Alfredo Corchado, “Juárez Drug Violence Not Likely To Go Away Soon, Authorities Say,” *Dallas Morning News*, May 17, 2010.

making the surrounding Mexican state of Chihuahua the deadliest in the country.<sup>50</sup> The Juárez DTO has reportedly been worn down by the conflict and resorted to other lucrative activities to finance its battle, including domestic drug sales in Ciudad Juárez (where rates of abuse are among the highest in Mexico). The Juárez DTO has battled for control of local drug markets with proxy street gangs. Los Aztecas, one of the larger gangs, is fighting for the Juárez organization against two gangs, the Artistas Asesinos and the Mexicales, representing the Sinaloa DTO.<sup>51</sup>

The degree of decline this organization has suffered is contested. Some analysts believe it is a “spent force,” while others have identified a tenacity to hold on to parts of Ciudad Juárez and other cities in Chihuahua.<sup>52</sup> The DTO’s enforcement arm, the La Linea gang, suffered a major loss when leader José Antonio Acosta Hernández (alias “El Diego”) was arrested in late July 2011. He confessed to ordering more than 1,500 murders and was convicted of the March 2010 murder of the three people connected to the U.S. consulate in Juárez. After his extradition to the United States, he was convicted in U.S. federal court on charges of murder and drug trafficking and sentenced to four consecutive life sentences in April 2012. The case represents increasingly close cooperation between Mexican and U.S. authorities on bringing hyper-violent offenders to justice.<sup>53</sup>

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<sup>50</sup> Molly Molloy, research librarian at New Mexico State University, keeps a tally of homicides as reported in the Juárez media and the official reports from the Chihuahua Attorney General. She and others have reported more than 3,000 deaths in Ciudad Juárez in 2010, and more than 10,000 deaths in the beleaguered city since January 2008. See: Frontera List, at <http://groups.google.com/group/frontera-list> and more information about the list at <http://fronteralist.org/>.

<sup>51</sup> STRATFOR, “Mexican Drug Cartels: Two Wars and a Look Southward,” December 17, 2009.

<sup>52</sup> Patrick Corcoran, “A Survey of Mexico’s Trafficking Networks,” *In Sight: Organized Crime in the Americas*, June 27, 2011; STRATFOR, “Mexican Drug Wars Update: Targeting the Most Violent Cartels,” July 21, 2011.

<sup>53</sup> “Leader of La Linea Sentenced in Texas court for 2010 U.S. Consulate Murders in Ciudad Juárez,” TBI, Justice in Mexico, *April 2012 News Report*.

Figure 1. Map of DTO Areas of Dominant Influence in Mexico by DEA



Source: DEA, January 2012

Notes: The DEA uses the term “cartel” in place of DTO. Also, the DTO identified as the Knights Templar in the report text is labeled in the map key by its Spanish name, “Los Caballeros Templarios.”

**Gulf DTO.** The Gulf DTO is based in the border city of Matamoros in the northeastern Mexican state of Tamaulipas. It arose in the bootlegging era of the 1920s. In the 1980s, its leader, Juan García Abrego, developed ties to Colombia's Cali cartel as well as to the Mexican Federal Police. His violent successor, Osiel Cárdenas Guillén, successfully corrupted elite Mexican military forces sent to capture him. Those corrupted military personnel became known as Los Zetas and fused with the Gulf cartel. At the beginning of the 21<sup>st</sup> century, Gulf was considered one of the most powerful Mexican DTOs. Cárdenas was arrested by Mexican authorities in 2003, but he successfully ran his drug enterprise from prison.<sup>54</sup> The violent struggle to succeed him did not begin until his extradition to the United States in early 2007. (In February 2010, Cárdenas was sentenced to serve 25 years in a U.S. prison). Despite a difficult internal succession battle and successful law enforcement operations against it, the Gulf organization continues to successfully move drugs. On November 5, 2010, Osiel's brother, Antonio Ezequiel Cárdenas Guillén (alias Tony Tormenta), was killed in Matamoros in a gun battle with Mexican marines. He had risen to a top position in the Gulf DTO following his brother's extradition. His death set off renewed violence as the weakened Gulf DTO attempted to fight off the continued assault by its former allies, Los Zetas.<sup>55</sup> In 2011, Gulf continued its battle with the Zetas for control over its former strongholds in Tamaulipas, Nuevo León, and Veracruz.<sup>56</sup> Although identified by some observers as a "national" cartel, its area of influence has become quite diminished (See **Figure 1**).

**Los Zetas.** This group was originally composed of former elite airborne special force members of the Mexican Army who defected to the Gulf cartel and became their hired assassins.<sup>57</sup> In 2008, Los Zetas began to contract their services to other DTOs operating throughout the country, notably the Beltrán Leyva organization and the Juárez DTO.<sup>58</sup> Los Zetas split with the Gulf cartel in the period of late 2008 to 2010 (analysts disagree on the exact timing) to become an independent DTO. Since February 2010, Los Zetas and the Gulf cartel have been battling in Tamaulipas, Nuevo León and other Gulf territory for control of drug smuggling corridors. What is especially significant is that in order to fight Los Zetas, the Gulf cartel has allied itself with two former enemies—La Familia Michoacana (LFM) and the Sinaloa cartel—creating an environment of urban warfare with commando-style raids on state prisons, abduction of journalists, murder of police, and attacks on military posts. They have organized elaborate road blockades during their violent operations to prevent legitimate police from responding.<sup>59</sup> In 2010, the battle for territory between the Zetas and the Gulf-Sinaloa-La Familia alliance (a temporary alliance of convenience) increased casualties among the government's security forces.<sup>60</sup> Some

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<sup>54</sup> George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New Brunswick, NJ: Transaction Publishers, 2010), pp. 72-73.

<sup>55</sup> Nacha Cattán, "Killing of Top Mexico Drug Lord 'Tony Tormenta' May Boost Rival Zetas Cartel," *Christian Science Monitor*, November 8, 2010.

<sup>56</sup> Patrick Corcoran, "A Survey of Mexico's Trafficking Networks," *In Sight: Organized Crime in the Americas*, June 27, 2011.

<sup>57</sup> Most reports indicate that Los Zetas were created by a group of 30 lieutenants and sub-lieutenants who deserted from the Mexican military's Special Mobile Force Group (Grupos Aeromóviles de Fuerzas Especiales, GAFES) to join the Gulf Cartel in the late 1990s. See CRS Report RL34215, *Mexico's Drug Cartels*, by Colleen W. Cook.

<sup>58</sup> Scott Stewart and Alex Posey, "Mexico: The War with the Cartels in 2009," *STRATFOR*, December 9, 2009; DEA maintains the split between Los Zetas and the Gulf DTO began in March 2008 at the same time there was growing evidence that Los Zetas had aligned themselves with the BLO. CRS consultation with the Drug Enforcement Administration, December 20, 2010.

<sup>59</sup> William Booth, "Drug War Violence Appears in Mexico's Northeast, Near Texas Border," *Washington Post*, April 21, 2010.

<sup>60</sup> "The War Is Mainly Between the Drug Cartels," *Latin American Security and Strategic Review*, April 2010.



observers argue that this killing does not suggest a tactic by the DTOs to target government officials, but rather an increase in inter-cartel rivalry.<sup>61</sup>

Los Zetas gained power under the leadership of Heriberto Lazcano Lazcano.<sup>62</sup> The Zetas have expanded their operations to Central America to collaborate with their Guatemalan equivalent, Los Kaibiles, and with Central American gangs in an effort to take control of cocaine shipments from Guatemala to Mexico.<sup>63</sup>

Currently, Los Zetas appear to have the largest area of geographic influence in Mexico and to be growing stronger in Guatemala. The Zetas are also believed to have achieved the most diversification in other criminal activities. (See section “DTO Fragmentation, Competition, and Diversification.”) While they have been aggressively expansionist, some analysts question if this DTO is responsible for the largest portion of the violent conflict in Mexico. The Zetas were targeted by both the Mexican and U.S. governments for increased enforcement in 2011. While this additional government pressure does not appear to have diminished their areas of influence, the Sinaloa DTO is still considered by many observers to be the most dominant.<sup>64</sup>

**Beltrán Leyva Organization (BLO).** Until 2008, this syndicate was a part of the Sinaloa federation and controlled access to the U.S. border in Sonora state. The January 2008 arrest of Alfredo Beltrán Leyva, brother of the syndicate’s leader, Arturo, and a leading lieutenant in the organization, is believed to have been abetted by “El Chapo” Guzmán, the top leader of the Sinaloa DTO. The loss of Alfredo cemented the animosity between the two organizations. Despite resistance from the Sinaloa federation, the BLO successfully secured drug transport routes in the states of Sinaloa, Durango, Sonora, Jalisco, Michoacán, Guerrero, and Morelos. In addition, the BLO, like other dominant Mexican DTOs, is believed to have infiltrated the upper levels of the Mexican government to help maintain its strong presence and control.<sup>65</sup> The BLO has executed uncooperative officials, and is believed to be responsible for the May 2008 assassination of acting federal police director Edgar Millan Gomez.<sup>66</sup> The organization has shown a high level of sophistication in its operations, forming a strategic alliance with Los Zetas to fight for important drug territory against the Gulf, Sinaloa, and La Familia DTOs. The BLO had long-standing links to Colombian sources, and control over multiple and varied routes into Mexico. Along with the Sinaloa DTO, it had also enjoyed a significant presence in southern Mexico.

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<sup>61</sup> Ibid.

<sup>62</sup> According to one account, Los Zetas are active throughout the Gulf Coast with centers of operation in Veracruz, the southern states of Tabasco, Yucatán, Quintana Roo, and Chiapas, and in the Pacific Coast states of Guerrero and Oaxaca, as well as Aguascalientes and Zacatecas. They are also gaining dominance in Mexico State and Hidalgo, which they are using to gain entry to Mexico City. See chapter “Emerging and New Narco Sects—Los Zetas and La Familia,” in George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New Brunswick, NJ: Transaction Publishers, 2010.)

<sup>63</sup> Steven S. Dudley, “Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras,” in *Shared Responsibility: U.S.-Mexico Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington, DC: Woodrow Wilson International Center for Scholars and the University of San Diego, 2010).

<sup>64</sup> Patrick Corcoran, “Are the Zetas the Most Dangerous Drug Gang in Mexico?,” *In Sight: Organized Crime in the Americas*, August 8, 2011; Geoffrey Ramsey, “Have the Zetas Replaced Sinaloa as Mexico’s Most Powerful Cartel?,” *In Sight: Organized Crime in the Americas*, January 3, 2012.

<sup>65</sup> James C. McKinley, Jr. “Keeping Resident Close, and Maybe a Cartel Closer, Mexican Mayor’s First Months in Office Marked by Scandal, Twists,” *Pittsburgh Post-Gazette*, April 25, 2010.

<sup>66</sup> *STRATFOR*, “Mexico: The Cartel Turf War Intensifies,” May 9, 2008.

The organization suffered a series of setbacks at the hands of the Mexican security forces beginning with the December 2009 killing of Arturo Beltrán Leyva during a raid conducted by Mexican marines, and the arrest of Carlos Beltrán Leyva in January 2010. Some experts believe that the remaining Beltrán Leyva brother, Hector, is the acting head of the organization now that the three others have been arrested or killed. Gerardo Alvarez-Vazquez, who was arrested in April 2010, had been fighting Hector Beltrán Leyva for control of the DTO along with Edgar Valdez Villarreal (alias “La Barbie”), who was arrested in August 2010.<sup>67</sup>

Valdez’s arrest was a major victory for the Mexican authorities and for President Calderón’s drug strategy.<sup>68</sup> He reportedly was one of the rare Mexican-Americans who was a top leader of a Mexican DTO.<sup>69</sup> The power vacuum left by the death of Arturo Beltrán Leyva had led to major fighting among members of the BLO and contributed significantly to violence in the central region of the country such as the state of Morelos in early and mid-2010.<sup>70</sup> Following the killing of Arturo Beltrán Leyva, two new organizations have emerged: the South Pacific Cartel, reportedly led by Arturo’s brother Hector, and the Independent Cartel of Acapulco, which contains remnants of the old BLO that were loyal to Edgar Valdez (“La Barbie”). The capture of Valdez (who had a \$2 million reward for his arrest in both the United States and Mexico) may decrease the BLO’s importance, continue the internal power struggle, or tempt other DTOs to take control of the BLO routes.

**La Familia Michoacana (LFM) / Knights Templar.** This DTO, first known as LFM, acquired notoriety for its hyper-violent crimes in 2006, although it traces its roots back to the 1980s. Ironically, it started as a vigilante group to eradicate drug use in Mexico and particularly in Michoacán, where it is based. But as a DTO it has specialized in methamphetamine production and smuggling (reportedly for sale in the United States only) and is also a vigorous trafficker of marijuana, cocaine, and heroin.<sup>71</sup> LFM was known for its use of extreme, symbolic violence and a pseudo-ideological or religious justification for its existence. According to one study, the LFM represented “a hybrid fusion of criminal drug enterprise entity and Christian evangelical beliefs” combining social, criminal, and religious elements in one movement.<sup>72</sup> LFM was known for leaving signs (“narcomantas”) on corpses and at crime scenes, describing their actions as “divine justice.”<sup>73</sup> LFM members have reportedly made donations of food, medical care, and schools to benefit the poor in order to project a “Robin Hood” image.<sup>74</sup> Once affiliated with Los Zetas (when

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<sup>67</sup> Ivan Moreno, “Mexico City Area Shootout Leads to Arrest of Major Alleged Drug Trafficker,” *Associated Press*, April 23, 2010.

<sup>68</sup> The Mexican government’s strategy to remove high-value targets or kingpins has been especially productive since the end of 2009 when Arturo Beltrán Leyva was killed. That event was followed in 2010 by the arrest or attempted arrest and killing of several other key leaders or top lieutenants vying for leadership such as Edgar Valdez. At the close of 2010, the pace of the strategy to take out top leaders seemed to be increasing.

<sup>69</sup> Edgar Valdez is an American-born drug smuggler from Laredo, Texas and allegedly started his career in the United States dealing marijuana. His nickname is “La Barbie” because of his fair hair and eyes. Nicholas Casey and Jose de Cordoba, “Alleged Drug Kingpin Is Arrested in Mexico,” *Wall Street Journal*, August 31, 2010.

<sup>70</sup> “15 Suspected Drug Cartel Enforcers Captured in Mexico,” *EFE News Service*, April 24, 2010; Trans-Border Institute, Justice in Mexico, *February and March 2010 News Reports*.

<sup>71</sup> Finnegan, “Silver or Lead.” With regard to heroin, LFM has allowed independent traffickers to cultivate opium poppies and to produce heroin for a “tax” in Michoacán, according to a source at the U.S. Embassy in Mexico City.

<sup>72</sup> Robert J. Bunker and John P. Sullivan, “Cartel Evolution Revisited: Third Phase Cartel Potentials and Alternative Futures in Mexico,” *Small Wars & Insurgencies*, vol. 21, no. 1 (March 2010), p. 45.

<sup>73</sup> Finnegan, “Silver or Lead.”

<sup>74</sup> Samuel Logan and John P. Sullivan, *Mexico's Divine Justice*, ISN Security Watch, August 17, 2009.

the Gulf and Zetas DTOs were merged), the LFM turned to oppose Los Zetas. Declared Mexico's most violent DTO in 2009 by Mexico's then-attorney general, LFM used some of the ruthless techniques learned from the paramilitary Zetas.<sup>75</sup>

In 2010, however, LFM played a less prominent role, and in November 2010, the LFM reportedly called for a truce with the Mexican government and announced it would disband.<sup>76</sup> In a December 10, 2010, gun battle with the Mexican federal police, the LFM's spiritual leader Nazario Moreno González (alias "El Más Loco") was killed, according to Mexican authorities.<sup>77</sup> In June 2011, LFM leader José de Jesús Méndez Vargas was arrested. A new organization that emerged in early 2011 calling itself the Knights Templar claims to be a successor or offshoot of LFM, and is led by charismatic former lieutenant Servando Gomez, (alias "La Tuta").

The Knights Templar may replace the older organization with which it is now locked in competition. Like LFM, it claims to have a code of conduct and has published a 22-page booklet laying out its ethics.<sup>78</sup> The Knights Templar have emulated LFM's supposed commitment to "social justice" and reportedly LFM's penchant for diversification into crime such as extortion. According to some analysts, the Knights Templar have been engaging in combat with the remnants of the LFM throughout 2011, including clashes in the states of Michoacán, Mexico, Morelos and Guerrero and have been used as a proxy by the Sinaloa DTO in its battles with Los Zetas and affiliated gangs.<sup>79</sup>

## **DTO Fragmentation, Competition, and Diversification**

As stated earlier, the DTOs today are more fragmented, more violent, and more competitive than the larger and more stable organizations that President Calderón faced at the beginning of his administration.<sup>80</sup> Analysts disagree about the extent of this fragmentation and its importance, and whether the group of smaller organizations will be easier to dismantle. There is more agreement that the environment is growing more violent and that the "violent free for all" is a relatively new development in Mexico.<sup>81</sup>

Fragmentation that began in 2010 and accelerated in 2011 has redefined the "battlefield" and brought new actors, such as Los Zetas and the Knights Templar, to the fore. An array of smaller organizations are now active including the Resistance and the Jalisco Cartel – New Generation who are reportedly competing for territory in the coastal states of Nayarit, Colima, and Jalisco.<sup>82</sup>

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<sup>75</sup> Sidney Weintraub and Duncan Wood, *Cooperative Mexican-U.S. Antinarcotics Efforts*, Center for Strategic and International Studies, November 2010.

<sup>76</sup> STRATFOR, "Mexican Drug Wars: Bloodiest Year to Date," December 20, 2010.

<sup>77</sup> Ibid.

<sup>78</sup> "Patterned After the Knights Templar, Drug Cartel Issues 'Code of Conduct,'" *Fox News Latino*, July 20, 2011.

<sup>79</sup> STRATFOR, "Mexican Drug War Update: Indistinct Battle Lines," April 16, 2012.

<sup>80</sup> Patrick Corcoran, "A Survey of Mexico's Trafficking Networks," *In Sight: Organized Crime in the Americas*, June 27, 2011.

<sup>81</sup> Patrick Corcoran, "Mexico: Upstart Gangs Eat into Cartel Hegemony," *In Sight: Organized Crime in the Americas*, August 4, 2011.

<sup>82</sup> Patrick Corcoran, "Mexico: Upstart Gangs Eat into Cartel Hegemony," *In Sight: Organized Crime in the Americas*, August 4, 2011.

Contrary to the experience in Colombia with the sequential dismantling of the enormous Medellín and Cali cartels,<sup>83</sup> fragmentation in Mexico has been associated with escalating violence.<sup>84</sup> A “kingpin strategy” implemented by the Mexican government has successfully “taken down” numerous top- and mid-level leaders in all the major DTOs, either through arrests or deaths in operations to detain them. However, this strategy with political decentralization has contributed to violent succession struggles, shifting alliances among the DTOs, a proliferation of new gangs and small DTOs, and the replacement of existing leaders and criminal groups by ones who are even more violent.<sup>85</sup> Analysts disagree about the extent of this fragmentation and its importance. Several analysts have observed that as the Mexican DTOs have fragmented and multiplied, violence has escalated to an all-time high.<sup>86</sup> Others analysts caution not to overstate the level of fragmentation. Many of these organizations and smaller gangs are new and it is premature to predict how they will fare or whether the resulting highly competitive group of smaller organizations will be easier to dismantle. The Mexican government, on the other hand, has asserted that the removal of DTO leadership through government enforcement operations has not caused violence to spike.<sup>87</sup>

Another emerging factor has been the criminal diversification of the DTOs. In addition to selling illegal drugs, they have branched into other profitable crimes such as kidnapping, assassination for hire, auto theft, controlling prostitution, extortion, money-laundering, software piracy, resource theft, and human smuggling. The surge in violence due to inter- and intra-cartel conflict over lucrative drug smuggling routes has been accompanied by an increase in kidnapping for ransom and other crimes. According to recent estimates, kidnappings in Mexico have increased by 188% since 2007, armed robbery by 47%, and extortion by 101%.<sup>88</sup> Some believe diversification may be evidence of organizational vitality and growth. Others contend that diversification signals that U.S. and Mexican drug enforcement measures are cutting into profits from drug trafficking, or constitutes a response to shifting U.S. drug consumption patterns.<sup>89</sup> The growing public condemnation of the DTOs may also be stimulated by their diversification into

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<sup>83</sup> In Colombia’s case, successfully targeting the huge and wealthy Medellín and Cali cartels and dismantling them meant that a number of smaller drug trafficking organizations replaced them. One result of Colombia’s dismembering these enormous organizations was that they were replaced by smaller organizations (“cartelitos”) which have not been as violent and thus the government was seen to have reduced violence in the drug trade. Critically, however, were other factors in Colombia that were not present in Mexico, such as the presence of guerilla insurgents and paramilitaries who became deeply involved in the illegal drug business, and, some would argue, the Colombian cartels of the 1980s and 1990s were structured and managed very differently than their contemporary counterparts in Mexico. (See **Appendix**).

<sup>84</sup> O’Neil, “Drug Fragmentation and Violence.”

<sup>85</sup> *STRATFOR*, “Mexico’s Drug Wars: Bloodiest Year to Date,” December 20, 2010; *STRATFOR*, “Mexican Drug Wars Update: Targeting the Most Violent Cartels,” July 21, 2011.

<sup>86</sup> O’Neil, “Drug Cartel Fragmentation and Violence;” Eduardo Guerrero Guitiérrez, “La Raíz de La Violencia,” *Nexos en Línea*, June 1, 2011. Guerrero also argues that eliminating leaders has dispersed the violence.

<sup>87</sup> See Alejandro Poiré and Maria Teresa Martinez, “La Caída de los Capos No Multiplica la Violencia: El Caso de Nacho Coronel,” *Nexos en Línea*, May 1, 2011. (Alejandro Poiré and Maria Teresa Martinez were officials from the National Public Security Council at the time the article was written. Poiré was since appointed Mexico’s Minister of Interior in November 2011).

<sup>88</sup> Mária de la Luz González, “Delitos Aumentan en el País, Alertan,” *El Universal*, August 23, 2011. This article cites data from México Evalua that is available in Spanish at: <http://www.mexicoevalua.org/>.

<sup>89</sup> Morris Panner, “Latin American Organized Crime’s New Business Model,” *ReVista*, vol. XI, no. 2 (Winter 2012). The author comments: “...the business is moving away from monolithic cartels toward a series of mercury-like mini-cartels. Whether diversification is a growth strategy or a survival strategy in the face of shifting narcotics consumption patterns, it is clear that organized crime is pursuing a larger, more extensive agenda.”

street crime, which causes more harm to average Mexican civilians than intra- and inter-DTO violence related to conflicts over drug trafficking.

Because the DTOs have diversified, many analysts now refer to them as transnational criminal organizations (TCOs), as organized crime groups, or mafias.<sup>90</sup> Others maintain that much of their non-drug criminal activity is in service of the central drug trafficking business.<sup>91</sup> Whatever the label, no one has an accurate way to assess how much of the DTOs' income is earned from their non-drug activities. Los Zetas are one of the most diversified DTOs. Their satellite businesses include the theft of petroleum from the state-owned oil company PEMEX, product piracy, and human smuggling, as well as extortion, money laundering, and robbery.<sup>92</sup> In July 2011, the Obama Administration released a new *Strategy to Combat Transnational Organized Crime*, citing the Mexican DTOs as some of its target subjects.<sup>93</sup> On July 25, the White House issued an executive order that named four groups around the world that presented transnational organized crime threats to U.S. national security. Not surprisingly, Los Zetas were identified for their diverse criminal activities and their propensity to commit mass murder. Some analysts have questioned why Los Zetas were singled out, when Sinaloa and other Mexican DTOs are also known to be significantly involved in other forms of crime.<sup>94</sup>

The current crime organization landscape is exceptionally fluid, yet several analysts are attempting to define it. For example, in Southern Pulse's publication *Beyond 2012*, Sam Logan and James Bosworth describe the increasing multiplication of groups:

The tendency for criminal groups in Mexico is toward small and local....as the number of well-armed criminal groups jumps from the six significant groups we counted in 2006...to over 10 in 2012 with a steady growth of new groups to bring the total to possibly over 20 by the end of 2014.<sup>95</sup>

Analyst Eric Olson of the Woodrow Wilson Center for International Scholars believes the DTOs are more accurately described as "organized crime groups" and notes that these groups are extremely local in character while engaged in diverse criminal activity. (Many of the actors have diversified beyond the transnational drug trade, as noted above). Mexican political scientist Eduardo Guerrero-Gutiérrez also describes fragmentation and has provided a very useful typology of different DTOs (see **Table 1**). He defines four types: National Cartels, Toll-taker Cartels, Regional Cartels, and Local Mafias. Guerrero identifies as many as 64 organizations across the country in the final category. Some of these groups do not participate in drug trafficking-related violence, but are only engaged in what he terms "mafia-ridden" violence. Guerrero attributes the proliferation of new criminal groups to a "non-selective arrest policy" by

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<sup>90</sup> See for example, Eric L. Olson and Miguel R. Salazar, *A Profile of Mexico's Major Organized Crime Groups*, Woodrow Wilson International Center for Scholars, February 17, 2011.

<sup>91</sup> Often kidnapping and extortion are a mechanism to collect payment for drug deliveries, for example. Weapons trafficking and money laundering are obviously closely tied to drug trafficking. DEA officials suggested in an interview that about 80% of the DTOs income may come from drugs, and they continue to use "DTO" or "cartel" to identify the organizations. CRS interview with DEA officials on August 5, 2011.

<sup>92</sup> William Booth, "Drug War Violence Appears in Mexico's Northeast, Near Texas border," *Washington Post*, April 21, 2010; Ioan Grillo, "Special Report: Mexico's Zetas Rewrite Drug War in Blood," *Reuters*, May 23, 2012.

<sup>93</sup> President of the United States, *Strategy to Combat Transnational Organized Crime*, July 19, 2011 at [http://www.whitehouse.gov/sites/default/files/Strategy\\_to\\_Combat\\_Transnational\\_Organized\\_Crime\\_July\\_2011.pdf](http://www.whitehouse.gov/sites/default/files/Strategy_to_Combat_Transnational_Organized_Crime_July_2011.pdf).

<sup>94</sup> Tim Johnson, "Do U.S., Mexican Officials Favor One Cartel Over Another?," *Miami Herald*, August 24, 2011.

<sup>95</sup> Samuel Logan and James Bosworth, *Beyond 2012*, Southern Pulse, 2012, <http://www.southernpulse.com>.

the Mexican government that has taken out kingpins and leaders and produced violent competition to replace those who have been arrested or killed.<sup>96</sup>

**Table I. Drug Trafficking Organizations Typology**

CATEGORY	DESCRIPTION	ORGANIZATIONS
National Cartels	Cartels control or maintain presence along routes of several drugs. They also operate important international routes to and from Mexico. These DTOs keep control of drug points of entry and exit in the country. However, they are interested in expanding their control of new points of exit along the northern border, and this is why they currently sustain disputes with other cartels to control these border localities. These DTOs are present in broad areas of the country and have sought to build upon the profits they receive from drug trafficking through diversifying their illegal activities towards human smuggling and oil and fuel theft.	Sinaloa, Los Zetas, and Gulf cartels, (although Gulf has a significantly less important role than the other two).
“Toll Collector” Cartels	These are the cartels whose main income comes from toll fees received from the cartels and regional cartels that send drug shipments through their controlled municipalities along the northern border. Given that these cartels are largely confined to some border municipalities, they cannot diversify their illegal activities as actively as the national cartels. If these cartels eventually lose control of their respective border areas they will either intensify their diversification efforts to other business (such as extortion or kidnapping) or they will disappear.	Tijuana and Juárez cartels
Regional Cartels	These DTOs keep limited control over segments of drug trafficking routes that pass through their territory. Like the toll collector cartels, the regional cartels play a secondary role in the drug trading business and receive small profits from it and have limited capabilities to diversify to other criminal businesses like human smuggling or oil and fuel theft.	The Knights Templar and South Pacific cartels
Local Mafias	The mafias are disbanded cells from fragmented national or regional cartels. These are locally based and their range can extend from a few contiguous localities to several states. Their business activities are mainly focused in drug distribution and dealing within their controlled municipalities, and they have extended their illegal business towards extortion, kidnapping and vehicle theft.	The Resistance; Jalisco Cartel - New Generation; Cártel del Charro; The Hands with Eyes; Los Incorregibles; La Empresa; Independent Cartel of Acapulco; and others.

**Source:** Eduardo Guerrero-Gutiérrez, *Security, Drugs, and Violence in Mexico: A Survey*, 7th North American Forum, Washington, DC, 2011.

**Notes:** Text modified in consultation with the author on May 21, 2012.

A couple of generalizations can be made about the current DTO landscape. First there is more competition and more violence. Second, few large actors remain except for the two dominant ones, Sinaloa and Los Zetas, which have become polarized in their battle for supremacy. Sinaloa, based in the western part of the country, was present in some 17 states as of August 2011

<sup>96</sup> Eduardo Guerrero-Gutiérrez, *Security, Drugs, and Violence in Mexico: A Survey*, 7th North American Forum, Washington, DC, October 2011 at [http://iis-db.stanford.edu/evnts/6716/NAF\\_2011\\_EG\\_\(Final\).pdf](http://iis-db.stanford.edu/evnts/6716/NAF_2011_EG_(Final).pdf).

according to one analysis. Los Zetas, which cover the eastern portion of the country, had operations in 21 states as of August, giving them greater geographic presence.<sup>97</sup> The Zetas had the reputation for being the most violent, but the Sinaloa cartel in the competition to deliver a devastating blow to their rivals has emulated the newer DTO's most violent tactics. Both Sinaloa and Los Zetas have made grisly incursions into the home turf of their opponent, either directly or through proxies (smaller organizations which have affiliated with one side or the other at least temporarily), leaving behind headless torsos and bodies hanging from bridges among other atrocities.<sup>98</sup>

## Characteristics of the Increased Violence

As the DTOs have fractured and more organizations vie for control of trafficking routes, the level of inter- and intra-cartel violence has spiked. Inter-DTO violence is used when the cartels fight one another to dominate trafficking routes. Besides inter-DTO violence (between the different organizations), there has been widespread violence within the organizations, as factions battle in succession struggles to replace fallen or arrested leaders. The succession battles are hastened by the drug war victories by the Mexican government. In describing the violence resulting from the elimination of a leader, one observer refers to "internal vacancy chains" that result when an organization is squeezed by the government and there is great uncertainty about how the leader will be replaced (either through internal succession or external replacement). In some cases, a weakened DTO will be attacked by other DTOs in a "feeding frenzy" until the uncertainty of succession is resolved.<sup>99</sup> Thus highly charged violence may result from asymmetric weakening of competitive organizations.<sup>100</sup> Intra-DTO violence is used to assert leadership inside the cartel or to impose organizational discipline and loyalty. The violent response of the DTOs to the government's aggressive security strategy is a third key element leading to escalation. Gun battles between government forces and the DTOs are regular occurrences. And with the expansion of democratic pluralism, DTOs are fighting the state to reassert their impunity from the justice system.

Drug trafficking-related violence in Mexico has been brutal, and, in an apparent contradiction, both widespread and relatively concentrated. However, since 2010 the violence has dispersed considerably to new areas and involved more municipalities. The violence, while still concentrated along drug trafficking routes and in a small percentage of Mexican municipalities, has spread to every state and flared in the northern border states. In 2011, the violence moved towards Mexico's interior, exploding in such states as Veracruz (a Gulf state) and in Guerrero on Mexico's southern Pacific coast. According to analysis by University of San Diego's Trans-Border Institute (TBI), 84% of Mexico's municipalities have been affected in some way by organized crime violence (with only 16% violence free) and over time violence has spread to a

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<sup>97</sup> Eduardo Guerrero-Gutiérrez, *Security, Drugs, and Violence in Mexico: A Survey*.

<sup>98</sup> Olga Rodriguez, "Mexico Drug War's Latest Toll: 49 Headless Bodies," *Washington Times*, May 14, 2012; Tracy Wilkinson, "Mexico Under Siege: Dozens of Bodies Found Dumped; Authorities Suspect a Drug Cartel, and Say Most of Victims Had Been Decapitated," *Los Angeles Times*, May 14, 2012; Jo Tuckman, "Mexican Drug Cartel Massacres have Method in Their Brutal Madness," *Guardian*, May 14, 2012.

<sup>99</sup> Phil Williams, "El Crimen Organizada y la Violencia en Mexico: Una Perspectiva Comparativa," *ISTOR: Revista de Historia Internacional*, 11th Year, Number 42, Fall 2010. Professor Williams argues that the leaders of the DTOs act like medieval barons, "engaged in constant power struggles and fluid alliances," even as their businesses have fully exploited the opportunities of 21<sup>st</sup> century globalization.

<sup>100</sup> *Ibid.*

larger number of municipalities.<sup>101</sup> There remains a debate about exactly how many have perished in the violence.

The Mexican government has released data on homicides in Mexico linked to organized crime during the Calderón Administration in January 2011 and January 2012.<sup>102</sup> In these two releases, the government reported that between December 2006 and September 2011 more than 47,500 killings were organized crime-related homicides. These official figures are about 15% to 25% higher than the tallies provided in some media reporting, such as that of the Mexican media outlet *Grupo Reforma*, which have been used by TBI to track violence in Mexico because the data has been released more consistently. The *Reforma* data is reported weekly and collected by a national network of newspaper correspondents spread across the country.<sup>103</sup>

While casualty estimates from the government and media sources have not been identical, they have reflected similar trends. All reports have shown the violence rising sharply since early 2007 and spreading to new parts of Mexico. This report gives preference to officially reported data. According to government data, in 2007 (the first full year of the Calderón government), there were more than 2,800 organized crime-related homicides which more than doubled in 2008. Between 2008 and 2009, the rate of increase was about 40%. Between 2009 and 2010, organized crime-related homicides grew by almost 60%. Finally the rate of increase started to come down between 2010 and 2011. (See **Figure 2**), The government's second data release in January 2012, only included data for the first three quarters of 2011 (January – September 2011), reporting a total of 12,903 homicides. Consequently, when measured against the same nine-month period in 2010, the number of organized crime killings grew by only 11% in 2011. There is some disagreement if the killings have plateaued and even begun to decline in 2012. (It depends if the first quarter of 2012 is compared to the first or last quarter of 2011, for example). At this point it is premature to make an estimate, although some commentators have suggested that a decline is likely to proceed more slowly than the rapid rise in killings.

## **Casualty Estimates in Context and for Special Populations**

The Mexican authorities maintained in July 2010 that more than 90% of the casualties (those who have died since President Calderón's crackdown in December 2006) were individuals involved with or linked in some way to the criminal activities of the DTOs. Critics, however, have questioned this assertion and noted it does little to mitigate the Mexican public's growing alarm about public safety. Mexican government information has neither been easy to access nor reported regularly. To track the violence, TBI and others have turned to Mexican media reporting. Newspapers and other media organizations keep daily tallies of the killings that are considered a close approximation of the overall situation. TBI's Justice in Mexico project has used the data collected by the national Mexican newspaper *Reforma* to tabulate Mexico's drug trafficking violence over the past decade.

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<sup>101</sup> Cory Molzahn, Viridiana Rios, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*, Trans-Border Institute, University of San Diego, March 2012.

<sup>102</sup> Mexican government data for 2007-2010 is available here: <http://www.presidencia.gob.mx/base-de-datos-de-fallecimientos/> and data for January through September 2011 is available here: <http://www.pgr.gob.mx/temas%20relevantes/estadistica/estadisticas.asp>.

<sup>103</sup> Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.



TBI has found that *Reforma* is generally more conservative and cautious about classifying a death as drug trafficking-related than are official sources and other media outlets.<sup>104</sup> *Reforma's* classification of a homicide attributed to the drug trafficking organizations is based on criminal justice protocols and the presence at the crime scene of characteristics traditionally used by DTOs, such as high-caliber weapons, decapitations, or “narco” messages.<sup>105</sup> The possibility that other criminals could carry out murders in a manner to make them appear to be those of the DTOs is one cause to question the accuracy of the figures. Further concerns are that authorities often fail to identify and fully investigate drug trafficking-related homicides, some DTOs will attempt to eliminate all evidence of murders, and some leave confusing messages either accepting blame or trying to shift it to a rival. According to the *Reforma* data, there were 11,583 drug trafficking-related homicides in 2010, and according to the government database the total murders attributed to organized crime exceeded 15,270. The higher government figure may be due to a definition of organized crime which is broader than drug trafficking. But the trends in the data produced by *Reforma* closely correlate with those trends in the data released by the government.<sup>106</sup>

Mexican government data is compiled by a collaborative task force coordinated by the Technical Secretary for the National Security Council (CNS) and involves multiple intelligence and law enforcement agencies.<sup>107</sup> The two releases of aggregate data by the Mexican government task force in January 2011 and January 2012 had slightly different definitions. For the first release of data (January 2007 – December 2010), the Mexican government labeled the information as “homicides allegedly linked to organized crime.” The second release of data (January 2011 – September 2011) was defined as “homicides allegedly caused by criminal rivalry.”<sup>108</sup> Like the *Reforma* data there are a number of characteristics utilized by the government to identify such homicides. These homicides generally have not been fully investigated so accuracy is always an issue. TBI has found that the government count was consistently about 25% greater than the *Reforma* count and that the media company consistently underestimates organized crime homicides but this has the advantage of reducing the frequency of “false positives.”

Because the Mexican government released data for only three quarters of 2011, there is no “official tally” for 2011. As shown in **Figure 2**, the government reported nearly 13,000 organized-crime related homicides for the first three quarters of the year. TBI has calculated the killings in the last three months of 2011, basing its projections on *Reforma's* data for the last quarter of the year expanded by 24%. This estimate incorporates a decline in the level of homicides in the last

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<sup>104</sup> TBI, *Drug Violence in Mexico: Data and Analysis from 2001-2009*, January 2010.

<sup>105</sup> Angelica Duran-Martinez, Gayle Hazard, and Viridiana Rios, *2010 Mid-Year Report on Drug Violence in Mexico*, Trans-Border Institute, August 2010.

<sup>106</sup> For a discussion of how the two sources compare, see Rios and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2010*, Trans-Border Institute, University of San Diego, February 2011; Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.

<sup>107</sup> Ibid. According to the report, the agencies involved include: the Center for Investigation and National Security (CISEN), the National Center for Information, Analysis and Planning to Fight Crime (CENAPI) with the Office of the Federal Attorney General (PGR), the Public Security Secretariat (SSP), Secretary of National Defense (SEDENA), Secretary of the Navy (SEMAR), and the Secretary of the Interior (Gobernación).

<sup>108</sup> The January 2012 data release is further broken down in four categories: organized crime homicides (79%); Organized Crime-Government Clashes (2%); Organized Crime Direct Attack on Officials (6%); and Organized Crime Clashes (1.3%). For more details on what distinguishes these categories, see Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.

quarter observed in the *Reforma* data trends and therefore “provides what is probably a more precise estimate of the government’s final tally for 2011.”<sup>109</sup>

As shown in **Figure 3**, the TBI estimate for the entire year is slightly more than 16,400 organized crime-related homicides. The TBI data has been mapped and a geographic explanation of the violence will be addressed in the next section. With that number of organized crime homicides in 2011 (16,414), the total number of organized crime homicides for the December 2006 – December 2011 period is slightly more than 50,900. As TBI notes, this calculation is consistent with the estimates of various non-governmental organizations and other observers.<sup>110</sup> As discussed above, violence did continue to rise in 2011, but far less sharply. Many observers have noted that the level of organized crime killings in 2011 was several times higher than 2007 and TBI’s annual report on the violence summarized it vividly:

On average, for every day of 2011, 47 people were killed, three of whom were tortured, one of whom was decapitated, two of whom were women, and ten of whom were young people whose lives ended in organized-crime-related violence.<sup>111</sup>

The Trans-Border Institute has tracked violent crimes against journalists, mayors, and other special groups who were victims of violent crime (See **Figure 4**). Violent crimes targeting journalists, and high levels of impunity for perpetrators of those crimes, have caused Mexico to be ranked among the most dangerous places in the world to work as a journalist. In the first half of 2012, at least six journalists were slain in Mexico, several in the troubled state of Veracruz. Crime against journalists runs from harassment to murder, and often causes journalists to self-censor their work and news outlets to stop publishing or broadcasting stories on violent crime.

In response to the spike in journalist murders and criticism that the Mexican judiciary was not resolving such cases, the Calderón government took some steps in 2011 to improve security measures for journalists at risk of being victimized. (Frequently those include reporters who cover crime or government corruption beats). In April 2012, a law to enhance protection for journalists and human rights defenders passed both houses of the Mexican Congress. Nevertheless, in May 2012, a newspaper in Nuevo Laredo, the Mexican city contiguous to Laredo, Texas, announced it would no longer report on violent rivalries between crime groups *anywhere* in the country after being subject to threats and attacks. According to the Committee to Protect Journalists, this announcement of such broad self-censorship may be the first of its kind.<sup>112</sup>

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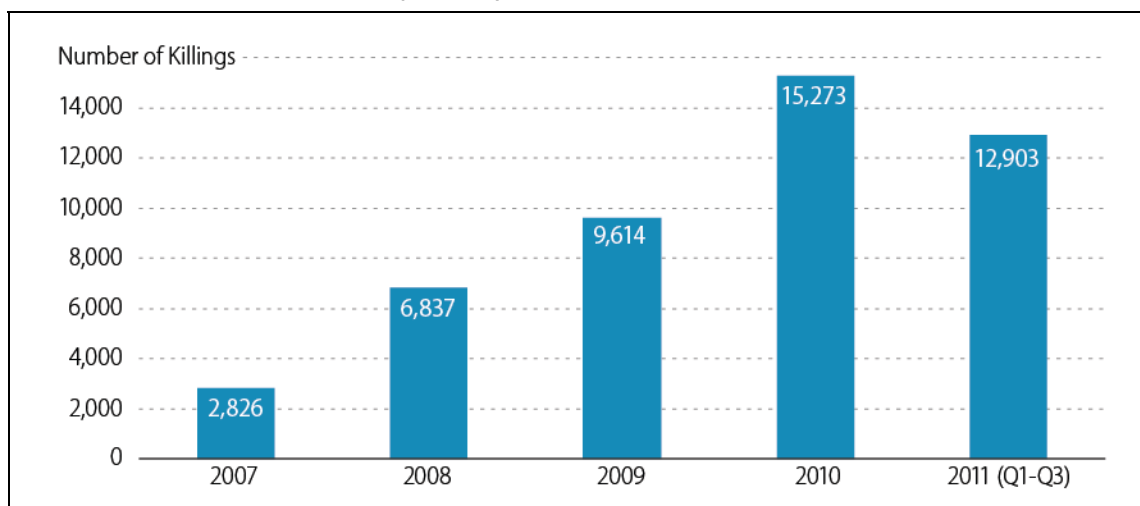
<sup>109</sup> Ibid.

<sup>110</sup> Ibid, p. 11.

<sup>111</sup> Ibid.

<sup>112</sup> Mike O’Conner, “El Mañana Cedes Battle to Report on Mexican Violence,” Committee to Protect Journalists Blog, May 23, 2012, at <http://www.cpj.org/blog/2012/05/el-manana-cedes-battle-to-report-on-mexican-violen.php>.

**Figure 2. Organized Crime-Related Killings (2007-2011)**  
Reported by the Mexican Government



**Source:** Mexican government data for 2007-2010 is available here: <http://www.presidencia.gob.mx/base-de-datos-de-fallecimientos/> and data for January through September 2011 is available here: <http://www.pgr.gob.mx/temas%20relevantes/estadistica/estadisticas.asp>.

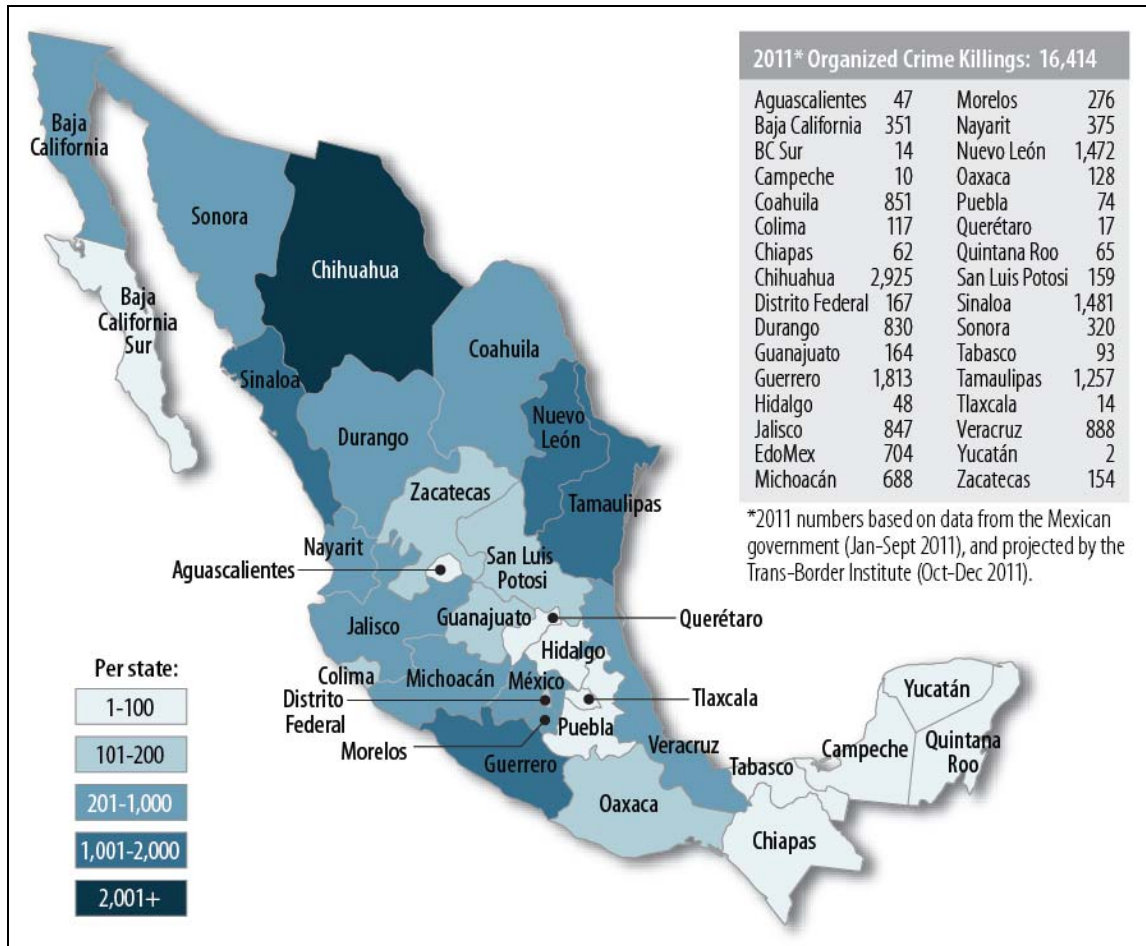
**Notes:** The Mexican government's Attorney General's office (PGR) only released data for the first three quarters of 2011 (January – September).

Pressure from organized crime is often greatest at the local level. Fifteen mayors were killed in 2010 and six in 2011, according to TBI (see **Figure 4**). Another population hard hit by the violence is young people between 15-29 years of age. The Mexican newspaper *El Universal* reported that drug trafficking-related violence had become the leading cause of death for young people in recent years, growing ten-fold between 2007 and 2010.<sup>113</sup> Not all victims are known. According to Mexico's National Human Rights Commission, more than 5,300 people have disappeared since December 2006 when Calderón came to office, and another 9,000 bodies have not been identified, some because of mutilation. The number of disappearances is probably greater because many disappearances like so many other violent crimes go unreported to Mexican authorities.<sup>114</sup>

<sup>113</sup> Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.

<sup>114</sup> Catherine E. Shoicet, "Mexican Troops Capture a Top Suspect in Slayings of 49," *CNN*, May 21, 2012.

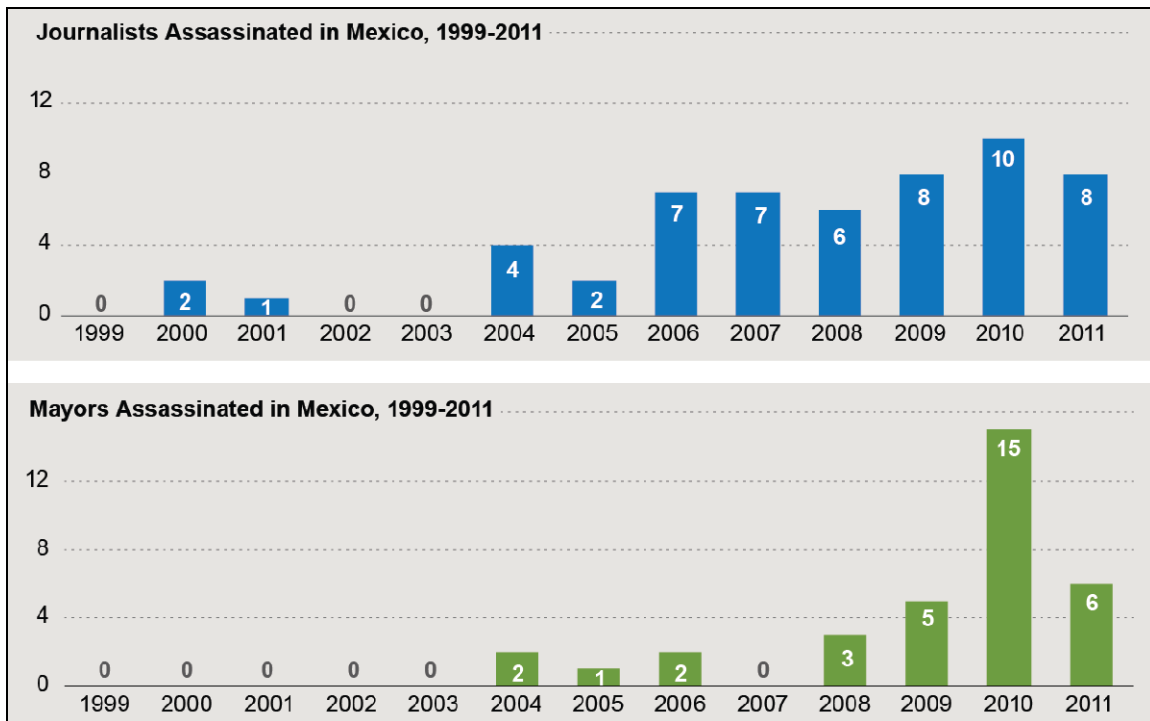
Figure 3. Organized Crime-Related Killings in Mexico in 2011 by State



**Source:** Map created by CRS using data from the Trans-Border Institute (TBI), University of San Diego.

**Notes:** Mexican government and TBI data drawn from presentation in Cory Molzahn, Viridiana Ríos, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*, Trans-Border Institute, March 2012.

**Figure 4. Journalists and Mayors Assassinated in Mexico, 1999-2011**



**Source:** Cory Molzahn, Viridiana Ríos, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*, Trans-Border Institute, March 2012.

**Notes:** Data provided in report adapted by CRS.

## Locations of the Violence and Its Impact on Tourism and Business

As the violence in Mexico has sharply increased over the past several years, it has also shifted locations. Drug trafficking-related violence has noticeably increased in the northern border states, including Tamaulipas and Nuevo León, and remained high in Chihuahua although it amounted to a smaller percentage of the total in 2011. As it has spread to new locations, the fear of violence has closed businesses and had an impact on tourism. American investors in Mexico have grown concerned about the violence and businesses have sent home dependents or closed operations altogether in some cities. Small and medium-sized businesses have been particularly hard hit, without the resources to hire private security firms and provide for employee safety as have the larger businesses and multinational corporations.<sup>115</sup> The Mexican government recently published a report indicating that foreign direct investment (FDI) has continued to pour into some of the most violent states at levels exceeding the investment prior to 2006, but others argue that job

<sup>115</sup> Dora Beszterczey and Shannon O'Neil, "Breaking the Cycle," *Americas Quarterly*, Winter 2011. This source notes that as many as 10,000 businesses have closed down in Ciudad Juárez alone, while the city's unemployment rate soared from "virtually zero" to 20% in the last three years.

creating investment has been moving into safer cities in central Mexico where drug trafficking-related violence is lower.<sup>116</sup>

In 2008, drug trafficking-related violence was concentrated in a few cities and states. About 60% of the killings took place in three cities: Tijuana (Baja California), Culiacán (Sinaloa), and highly contested Ciudad Juárez (Chihuahua). By far, the largest number of drug trafficking-related deaths took place in Ciudad Juárez, a city of approximately 1.3 million inhabitants across the border from El Paso, Texas. The Mexican border city is where the conflict between the Sinaloa and Juárez DTOs is most focused. (Mexico's National Public Security Council estimates that 36% of the drug trafficking-related deaths in Mexico's drug war from December 2006 through July 2010 could be attributed to the conflict centered in Ciudad Juárez.)<sup>117</sup> According to the U.S. State Department and media reports, some 3,100 people were killed in Ciudad Juárez in 2010 alone, making it one of the most violent cities in the world.<sup>118</sup> However, in 2011 total homicides in Ciudad Juárez declined to 1,933, still the most violent city in Mexico, but behind San Pedro Sula, Honduras, now estimated to be the city with the highest homicide rate in the world.<sup>119</sup> (This shift suggests the epicenter of drug trafficking-related violence may be moving into Central America. For more background, see CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*).

Starting in 2009, the violence spread to new areas throughout the country for the usual reasons: changing alliances and competition between and within the DTOs, the succession struggles when leaders are taken down or eliminated, and expanding DTO efforts to corrupt and intimidate officials to permit the trade.<sup>120</sup> The intense government crackdown using army and navy forces and the Mexican Federal Police has provoked a violent response from the DTOs to communicate their lack of fear of the government. Meanwhile, Mexico's law enforcement and courts have been ineffective in investigating and prosecuting the perpetrators of violence, leaving the DTOs to continue their attacks free of legal consequences.

Violence spread from near the border in northern Mexico south to the states of Durango and Guerrero in 2009, with homicides doubling in both states.<sup>121</sup> As in 2009, violence in 2010 continued along the U.S./Mexico border including the states of Chihuahua, Nuevo León, and Tamaulipas (the latter two states being the locus of the 2010 conflict between the Zetas and the

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<sup>116</sup> Nacha Cattán, "Is Violence in Mexico Affecting Foreign Investment? No, Say Recent Reports," *Christian Science Monitor*, August 8, 2011; Secretaría de Economía, *Subsecretaría de la Inversión Extranjera Directa (IED) a Nivel Nacional y Subnacional: Seguridad y Otros Factores*, July 27, 2011.

<sup>117</sup> Mexican Federal Government, "Información Sobre el Fenómeno Delictivo en México," August 2010; David Shirk, "Mexican Government Reveals Distribution of Drug Violence," *Justice in Mexico* blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>118</sup> U.S. Department of State, Bureau of Consular Affairs, *Travel Warning: Mexico*, April 22, 2011, [http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_5440.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_5440.html); Andrew Rice, "The End of America: Why Mexico's Pain is El Paso's Gain," *New York Times*, July 31, 2011.

<sup>119</sup> U.S. Department of State, Bureau of Consular Affairs, *Travel Warning: Mexico*, February 8, 2012 at [http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_5665.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_5665.html); Seguridad, Justicia, y Paz, "San Pedro Sula La Ciudad Más Violenta del Mundo; Juárez, La Segunda," January 11, 2012 at <http://www.seguridadjusticiaypaz.org.mx/sala-de-prensa/541-san-pedro-sula-la-ciudad-mas-violenta-del-mundo-juarez-la-segunda>. According to this Mexican NGO, the most violent city in the world was San Pedro Sula, Honduras, in 2011, with Ciudad Juárez second, (although still the most violent in Mexico).

<sup>120</sup> The choice of "silver or lead" (either a bribe or a bullet) is forced on many government officials by Mexico's drug traffickers. See William Finnegan, "Silver or Lead."

<sup>121</sup> TBI, *Justice in Mexico, January 2010 News Report*.

Gulf DTOs), and with notable increases in Sinaloa, Guerrero, Durango, and the state of Mexico.<sup>122</sup> In 2010, some of the Central Pacific states experienced a large increase in violent activity, including Jalisco and Nayarit. Violence in the Central Pacific states (including the state of Mexico, Guerrero, Morelos, Jalisco, and Nayarit) has been attributed to the conflict between factions of the Beltrán Leyva organization, La Familia Michoacana, and the Sinaloa DTO.<sup>123</sup>

The violence is highly concentrated along key drug routes and within a relatively few cities and towns. In August 2010, a Mexican government report on 28,000 homicides linked to organized crime (from December 2006 through July 2010), revealed that 80% of drug trafficking-related homicides occurred in 162 of Mexico's 2,456 municipalities, (less than 7%).<sup>124</sup> Through additional analysis of municipal-level data, analyst Eduardo Guerrero identified six clusters of the most violent municipalities in late 2010.<sup>125</sup> The 36 municipalities he classified as the most violent are located in five states (there are two high-violence zones in the border state of Chihuahua). Guerrero argues that if an effective anti-violence strategy targeted these zones, the drug trafficking-related violence could be reduced.<sup>126</sup>

In 2011, the violence continued to grow and spread. While violence in Baja California and Chihuahua declined somewhat, it spiked in Tamaulipas, Coahuila, and Nuevo León (see **Figure 3**). The Gulf DTO's struggle to dislodge the Zetas from Monterrey, Nuevo León, the major industrial and financial hub 140 miles from the Texas border, is a near-paralyzing conflict that has frightened business owners and destroyed the city's reputation as one of Mexico's safest cities.<sup>127</sup> The six border states with the United States continued to experience a majority of the violence. According to government data, Mexico's northern border states accounted for 44% of the homicides in 2011, down from 50% in 2010. Reductions in Tijuana and Juárez were offset by increases in Monterrey and elsewhere,<sup>128</sup> and violence dispersed south toward Mexico's interior. In other words, violence remained high in crucial transit regions near the border and along the coasts, but it dispersed to a greater number of cities and states. In 2011, violence in the coastal state of Sinaloa declined in comparison with the prior year, but increased in Guerrero and Michoacán further south. Jalisco, home to Mexico's second largest city, Guadalajara, saw violence flare, and, in the latter half of 2011, Veracruz became a hot spot with incursions against Los Zetas in territory they had dominated. The discoveries of mass graves in Durango and Tamaulipas in the middle of the year added to the drug trafficking death tolls in those states.<sup>129</sup>

While drug trafficking-related killings remain concentrated in a relatively few cities, the violence is spreading to more populated and economically important urban centers. Killings, kidnappings, and other violence have dramatically increased in Monterrey, Mexico's third-largest city. The resort city of Acapulco, a seaport in Guerrero state, has also seen a sharp increase in violence and

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<sup>122</sup> Duran-Martinez, Hazard, and Rios, *2010 Mid-Year Report on Drug Violence in Mexico*.

<sup>123</sup> TBI, *Justice in Mexico, November 2010 News Report*.

<sup>124</sup> Mexican Federal Government, "Información Sobre el Fenómeno Delictivo en México," August 2010; David Shirk, "Mexican Government Reveals Distribution of Drug Violence," *Justice in Mexico* blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>125</sup> Eduardo Guerrero Gutiérrez, "Cómo Reducir La Violencia en México," *Nexos en Línea*, November 3, 2010.

<sup>126</sup> *Ibid.*

<sup>127</sup> Nik Steinberg, "The Monster and Monterrey: The Politics and Cartels of Mexico's Drug War," *The Nation*, May 25, 2011; David Luhnaw, "Expats Flee Drug War in Mexico's No. 3 City," *Wall Street Journal*, September 11, 2010.

<sup>128</sup> Molzahn, Ríos, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.

<sup>129</sup> TBI, *Justice in Mexico: June 2011 News Report*.

was the second most violent city in Mexico in 2011. Guadalajara, Mexico's second largest city, saw increasing violence in 2011 and has continued to experience incidents in 2012. Finally, Nuevo Laredo in Tamaulipas state has again been immersed in conflict as Los Zetas defend their important stronghold in one of the busiest land ports handling U.S.-Mexico trade.<sup>130</sup>

According to some estimates, the violence costs the country roughly one percentage point of annual economic growth.<sup>131</sup> However, Mexico's economy grew an estimated 4% in 2011 and the government has argued that overall growth and foreign investment have not been harmed. In April 2012, the government vigorously denied the claim of an important national employers' federation (Coparmex) that violence and threats of violence caused 160,000 businesses to leave Mexico in 2011.<sup>132</sup> Similarly, with regard to tourism the record is mixed. While the U.S. government has issued increasingly foreboding travel warnings and tourism has declined in the border region, more than 22 million tourists visited Mexico in 2011, breaking records set in 2008.<sup>133</sup> Some of this increase can be attributed to policies adopted by the Calderón government to make tourism more attractive to foreign visitors.

The government has touted the decline in violence in Ciudad Juárez in 2011 as evidence their law enforcement efforts and social reforms are working. But another possible cause is that the rival Sinaloa DTO and Carillo Fuentes/Juárez DTOs have come to some accommodation on use of the drug corridor. According to many assessments, the Sinaloa DTO is the most powerful DTO in Mexico.<sup>134</sup> It has successfully pushed into Baja California and Chihuahua that were once controlled by the Tijuana and Juárez DTOs. Some analysts have speculated that Sinaloa's dominance may be the reason for a decline in violence in both border cities.<sup>135</sup>

Recently, some analysts have identified Tijuana as an example of a qualified success in its reduction of violence. They maintain that Tijuana's significantly lower number of homicides resulted from an effective government strategy of building trust and communication between civil society and enforcement authorities, which was aided by a respected policing role for the military. Furthermore, the DTOs operating in Tijuana were broken up but retained sufficient organizational coherence to order a reduction in violence in response to a well-executed and targeted "hot spot" policing effort.<sup>136</sup>

Major tourist destinations, such as Acapulco, Cancún, Mazatlan, Taxco, and Cuernavaca, have been hit by violence, and the economically vital tourist industry has been affected. As noted above, tourism along the U.S.-Mexico border has also suffered a dramatic decline because of fears of violence. According to the U.S. State Department, foreign tourists have not been a DTO target. But there have been several incidents of Mexican tourists becoming victims. The State Department's travel warning updated in February 2012 reported that the number of Americans murdered in Mexico rose from 35 in 2007 to 120 in 2011.<sup>137</sup>

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<sup>130</sup> STRATFOR, "Mexico Security Memo: The Value of Nuevo Laredo," March 7, 2012.

<sup>131</sup> David Luhnnow, "Mexico Economy Withstands Drug War," *Wall Street Journal*, November 22, 2011.

<sup>132</sup> "Mexico Denies that Firms Are Leaving Over Security," *LatinNews Daily*, April 5, 2012.

<sup>133</sup> Kenan Christiansen, "Tourism Up, Mexico Aims for Non-U.S. Visitors," *New York Times*, March 4, 2012.

<sup>134</sup> See, for example, STRATFOR, "The Evolution of Mexican Drug Cartels' Areas of Influence," April 28, 2011; STRATFOR, "Mexican Drug Wars Update: Targeting the Most Violent Cartels," July 21, 2011.

<sup>135</sup> Ibid; Guy Taylor, "Life Stirs Anew in 'Murder Capital' Juarez," *Washington Times*, May 27, 2012.

<sup>136</sup> Rios and Aguilera, "Keys to Reducing Violence in Mexico: Targeted Policing and Civic Engagement."

<sup>137</sup> The State Department does not identify which murders may be attributed to the drug trafficking-related violence or (continued...)



One consequence of the intense violence in many municipalities is the displacement of residents fleeing for safety. The Internal Displacement Monitoring Centre estimated in December 2010 that 230,000 persons were displaced, roughly half of whom fled to the United States and the other estimated 115,000 were internally displaced persons inside Mexico.<sup>138</sup> According to the Monitoring Centre's annual report covering 2011, about 140,000 people have been displaced by drug-cartel violence since 2007. The report criticizes the Mexican government for not initiating a program to recognize or assist this population.<sup>139</sup> However, in contrast to this finding, the United Nations has identified only 1,570 people as a "population of concern" inside Mexico as of January 2011.<sup>140</sup> In addition, many Mexican nationals fearing that they could be victims of the violence (including journalists and law enforcement officers) have sought asylum in the United States.<sup>141</sup> According to the U.S. Department of Justice, there were 6,133 requests for asylum from Mexico in FY2011, about double the number of requests made in 2010, and only 104 requests (1.7%) were granted.<sup>142</sup>

## **Mexico's Antidrug Strategy and Reaction<sup>143</sup>**

President Calderón's military-led crackdown on the drug trafficking organizations has been at the center of his domestic policy, and he launched his aggressive approach almost immediately after his inauguration in December 2006. He has since deployed some 50,000 Mexican military and thousands of federal police around the country to combat the DTOs.<sup>144</sup> A leading element of the strategy has been to confront and dismantle the drug trafficking organizations by going after the high-value targets: the leadership of the major DTOs.

The DTOs have fought back strongly, refusing to allow law enforcement actions from taking place and making an all-out effort to neutralize repressive measures. The DTOs have also demonstrated an unanticipated resilience as their leadership is arrested or killed. Mexico's Secretary of Public Security Genaro Garcia Luna and others have acknowledged that removing

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organized crime, although the most recent travel warning does describe the heightened risk caused by transnational criminal organizations (TCOs) in different parts of the country. U.S. Department of State, Bureau of Consular Affairs, *Travel Warning: Mexico*, February 8, 2012 at [http://travel.state.gov/travel/cis\\_pa\\_tw/tw/tw\\_5665.html](http://travel.state.gov/travel/cis_pa_tw/tw/tw_5665.html).

<sup>138</sup> Norwegian Refugee Council – Internal Displacement Monitoring Centre, "Briefing Paper on Forced Displacement in Mexico due to Drug Cartel Violence," December 2010.

<sup>139</sup> Norwegian Refugee Council – Internal Displacement Monitoring Centre, *Global Overview 2011: People Internally Displaced by Conflict and Violence*, April 2012, at <http://www.unhcr.org/IDMC/IDMC-report.pdf>.

<sup>140</sup> For further information, see profile of Mexico on the U.N. High Commissioner for Refugees (UNHCR) website at <http://www.unhcr.org/cgi-bin/texis/vtx/page?page=49e492706&submit=GO>.

<sup>141</sup> Patricia Giovine, "More Mexicans Fleeing the Drug War Seek U.S. Asylum," *Chicago Tribune*, July 14, 2011.

<sup>142</sup> U.S. Department of Justice, Executive Office for Immigration Review, Office of Planning, Analysis, and Technology, Immigration Courts, FY2011 Asylum Statistics, at <http://www.justice.gov/eoir/efoia/FY11AsyStats-Current.pdf>.

<sup>143</sup> For a fuller discussion of the Mexican government's strategy see: CRS Report RL32724, *Mexico: Issues for Congress*, by Clare Ribando Seelke. The report identifies a broad-based strategy that includes: 1) carrying out joint police-military operations to support local authorities and citizens; 2) increasing the operational and technical capacities of the state; 3) initiating legal and institutional reforms; 4) strengthening crime prevention and social programs; and 5) strengthening international cooperation (such as the Mérida Initiative and Beyond Mérida, as described below).

<sup>144</sup> Ken Ellingwood, "An Agony of Its Own; Some See a Colombian Parallel to Mexico's Drug Violence. But as the U.S. Considers Its Options, It's the Differences that Will Count," *Los Angeles Times*, September 26, 2010; Randal C. Archibold, "Adding to Unease of a Drug War Alliance," *New York Times*, May 30, 2012.

the high-value targets at the top of the organization has not paralyzed the DTOs because in most cases the organizations have transferred power to new and sometimes more violent leaders.<sup>145</sup> An additional complexity is that the drug organizations are adapting and transforming themselves from hierarchical and vertical organizations to become more multi-nodal and horizontal in their structure. Some of the DTOs have adopted a more decentralized and networked model with independent cell-like structures that make it harder for law enforcement to dismantle.<sup>146</sup> As the Mexican military has shifted resources to pursue leaders of the DTOs, it appears to have fewer resources to devote to older missions such as eradication efforts. This may be contributing to the increases in the cultivation of opium and marijuana, and production of heroin and methamphetamine, which, unfortunately, are generating more income for the DTOs.

In carrying out his antidrug strategy, President Calderón has demonstrated an unprecedented willingness to collaborate with the United States and the United States has shown a remarkable new trust and respect for its Mexican partners. U.S.-Mexican security cooperation has been structured upon the Mérida Initiative, a bilateral counterdrug and security effort first funded in 2008.<sup>147</sup> The initiative, as it was originally conceived by Presidents George W. Bush and Felipe Calderón, was to end with the FY2010 budget cycle. Its focus has evolved from providing hardware to Mexican security forces to modernizing and strengthening institutions of law enforcement and the judiciary in Mexico. A successor to the Mérida Initiative—called “Beyond Mérida”—was introduced by the Obama Administration in the FY2011 budget request. The “four pillars” of the current strategy are (1) disrupting organized crime groups; (2) institutionalizing the rule of law; (3) building a 21<sup>st</sup>-century border; and (4) building strong and resilient communities. The Obama Administration’s funding priorities have shifted from providing expensive equipment to Mexican security forces to supporting institutional reform programs in the Mexican federal government and more recently to assisting certain key states.

A parallel shift is evident in Mexico’s domestic strategy. Following a brutal massacre of 15 youth at a party in Ciudad Juárez in January 2010, President Calderón made a series of visits to the border city and announced that police and military action alone were insufficient to address Juárez’s problems. Within weeks, the Calderón Administration released a plan, “Todos Somos Juárez,” to address social causes that sustain the drug trade such as unemployment and a weak education system, which parallels Pillar 4 of the Beyond Mérida strategy.<sup>148</sup> In addition, the Calderón government has taken advantage of improved sharing of U.S. intelligence, and vigorously responded to extradition requests of suspects wanted by the United States.<sup>149</sup> The

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<sup>145</sup> One former drug operative in Mexico described the dilemma in an interview. “Trying to stop the gangsters ‘is like mowing the grass.... You can cut it down. But it always grows back.’” See “Under the Volcano,” *Economist*, October 16, 2010. See also: Daniel Kurtz-Phelan, “The Long War of Genaro Garcia Luna,” *New York Times*, July 13, 2008.

<sup>146</sup> The evolution is described by Luis Astorga and David Shirk as a move from centralized, hierarchical structures to “an increasingly multi-polar constellation of trafficking organizations with varying specializations and capacities in the late 1990s and 2000s.” Luis Astorga and David A. Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies in the U.S.-Mexican Context*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper Series on U.S.-Mexico Security Cooperation, May 2010, p. 25. See also: Juan Carlos Garzón, *Mafia & Co.: The Criminal Networks in Mexico, Brazil, and Colombia*, Woodrow Wilson International Center for Scholars, June 2008. This evolution in the structure of criminal groups to new models is also described in CRS Report R41547, *Organized Crime: An Evolving Challenge for U.S. Law Enforcement*, by Jerome P. Bjelopera and Kristin M. Finklea.

<sup>147</sup> For background on the Mérida Initiative and its successor Beyond Mérida, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>148</sup> Estrategia Todos Somos Juárez, <http://www.todosomosjuarez.gob.mx/estrategia/index.html>

<sup>149</sup> One of the earliest successes of the Calderón counterdrug strategy was the extradition of Osiel Cardenas Guillen (the continued...)

Calderón administration is also implementing a major restructuring of the judicial system and has successfully expanded and restructured the Mexican Federal Police (which went from 6,000 to 35,000 officers), improved their pay, and implemented procedures to vet and train officers to combat corruption. Efforts to reform the Attorney General's Ministerial Police have lagged and steep challenges remain in cleaning up and reforming Mexico's municipal and state forces that number over 300,000.

President Calderón convened for the first time a "dialogue on security" bringing together government officials with business leaders, civic leaders, and academics in August 2010 to publicly discuss the country's antidrug strategy. These discussions were partly a response to the Mexican government's inconsistent and incomplete releases of public information on drug trafficking-related homicides.<sup>150</sup> President Calderón notably said at one forum he would be willing to discuss the option of drug legalization, although he quickly announced that he was not a proponent.<sup>151</sup> He reaffirmed his government's commitment to the antidrug fight observing that the violence threatened the media and democratic governance.<sup>152</sup> In April 2012, in the lead up to the Summit of the Americas in Colombia, when the subject of alternative drug strategies was being discussed, President Calderón expressed the view that the United States might consider "market alternatives" in its efforts to reduce drug demand.<sup>153</sup>

The Mexican military had initially been in the forefront of the government's counterdrug campaign as an interim solution until enough police could be vetted, trained, and equipped to be given back the lead in the public security function. By late 2010, the Calderón Administration had apparently assessed that current programs of police and justice reform would be insufficient to rid the system of corruption before Calderón's six-year term expired in December 2012, and that the military would retain its lead role until the end of his term.<sup>154</sup> Persistent police corruption was highlighted in the August 2010, purge of the federal police in which more than 3,000 officers were fired. On the other hand, four high ranking former officers (three of them generals) in the Mexican Army were arrested on corruption charges (for alleged links to the Beltrán Leyva organization and abetting their drug trafficking) in May 2012.<sup>155</sup> The highly esteemed Mexican military has been dogged by corruption and allegations of violations of human rights (especially the Mexican Army) since it took on an expanded role in the Calderón antidrug campaign. The role of the military in the ongoing counterdrug effort has been debated among the four leading

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notorious leader of the Gulf DTO) to the United States in January 2007. Extraditions have increased significantly under President Calderón. For example, in 2009, the Mexican government extradited a record 107 suspects to the United States, 94 in 2010, and 96 in 2011. For more background, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea

<sup>150</sup> David Shirk, "Mexican Government Reveals Distribution of Drug Violence," *Justice in Mexico* blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>151</sup> "Mexico's President Calls for Legalisation Debate," *LatinNews Daily*, August 4, 2010. President Calderón subsequently expressed opposition to a California ballot initiative, Proposition 19, which would have legalized adult use of marijuana. California voters defeated the measure in the November 2010 general election.

<sup>152</sup> "Calderón Calls for Debate on Marijuana," *Latin News Weekly Report*, August 5, 2010.

<sup>153</sup> "The Summit of the Americas and Drug Legalization," *Latin American Security & Strategic Review*, April 2012. At the time, this comment was interpreted to mean that the President was willing to engage in a debate about drug legalization.

<sup>154</sup> "Mexico Politics: Whither the War on Drugs?," *Economist Intelligence Unit*, September 2, 2010.

<sup>155</sup> Randal C. Archibold, "Mexico Holds 3 Generals Said to Aid Drug Cartels," *New York Times*, May 19, 2012; Randal C. Archibold, "Adding to Unease of a Drug War Alliance," *New York Times*, May 30, 2012.

candidates in Mexico's presidential campaign although some of the candidates security proposals have been deemed vague.<sup>156</sup> In addition, supporters of the Calderón strategy maintain that to confront DTOs armed with powerful assault and military-style weapons a well-armed military-led response is the only viable option.

Another challenge for the Calderón strategy has been a rise in drug abuse in border cities such as Ciudad Juárez and Tijuana, and the gang warfare that has broken out to control that local drug trade.<sup>157</sup> Local drug dealing increased because drugs headed for the U.S. market are being stopped from going over the border. Gangs that are hired by the DTOs for protection and other "outsourced" services are paid in product (illegal drugs) and need to convert the drugs to cash. Fighting to control street corner sales, DTO-supplied gangs are killing each other in both border cities. Unemployment, caused by the economic downturn and businesses fleeing the violence, has also provided ready recruits for the gangs, who are frequently hired by the DTOs to fight as their proxies.

In order to improve intelligence sharing and increase U.S. support for Mexico's struggle against organized crime, binational cooperation in 2011 included the deployment of U.S. unmanned aerial vehicles to gather intelligence on DTO activities<sup>158</sup> and the opening of a compound to gather intelligence in northern Mexico.<sup>159</sup> The compound, reportedly staffed by DEA, Central Intelligence Agency (CIA), and civilian personnel from the Pentagon's Northern Command, is to be modeled on "fusion intelligence centers" operated by the United States in Afghanistan and Iraq.<sup>160</sup> Responding to concerns about the fusion center, William J. Burns, U.S. Deputy Secretary of State, in a roundtable with Mexican news media, stressed that this intelligence analysis program is not a basis for U.S. personnel to conduct operations or engage in law enforcement activities in Mexico.<sup>161</sup> In remarks made in August 2011, he stated that the United States would always respect Mexican sovereignty and provide cooperation based upon the request of Mexican authorities.<sup>162</sup>

## Trends and Outlook

Notwithstanding how the violence is characterized, a few trends are clear. First, the drug-trafficking related violence has continued to rise from December 2006 through December 2011. While the rate of increase may be leveling off, it is premature to predict if 2012 will see an increase or a decrease over the prior year. If current trends hold, it is likely that there will be more than 60,000 organized crime-related homicides before the end of President Calderón's term.

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<sup>156</sup> See CRS Report R42548, *Mexico's 2012 Elections*, by Clare Ribando Seelke.

<sup>157</sup> Thousands of gang members in both the United States and Mexico serve the Mexican DTOs. In Ciudad Juárez there are an estimated 500 gangs with a combined membership of between 15,000 to 25,000 persons. Eduardo Guerrero Gutiérrez, "Cómo Reducir La Violencia en México."

<sup>158</sup> Ginger Thompson and Mark Mazzetti, "U.S. Drones Fly Deep in Mexico to Fight Drugs," *New York Times*, March 16, 2011.

<sup>159</sup> Ginger Thompson, "U.S. Widens Its Role in Battle Against Mexico's Drug Cartels," *New York Times*, August 7, 2011.

<sup>160</sup> *Ibid.*

<sup>161</sup> William J. Burns, Deputy Secretary of State, "Roundtable with Mexican Media," U.S. Embassy, Mexico City, August 16, 2011.

<sup>162</sup> *Ibid.*

Second, the violence is concentrated in a few cities and towns, with 80% of the deaths concentrated in slightly under 7% of Mexico's municipalities, according to Mexican government data released in August 2010.<sup>163</sup> According to the newer Mexican government data, violence in 2010 continued to be concentrated in relatively few cities, with over 70% of the violence in just 80 municipalities.<sup>164</sup> In 2011, violence dispersed to a greater number of cities. While the five most violent cities accounted for roughly 32% of the violence in 2010, they accounted for about 24% of the violence in 2011.<sup>165</sup>

Third, the violence is largely targeted at people with ties to the drug trafficking organizations because much of the violence is open warfare between and within the organizations. The number of Mexican security forces (military and police) killed is believed to be approximately 7% of the total, although estimates vary.<sup>166</sup> Some of the deaths of Mexican officials may involve individuals who at some time colluded with one DTO or another. Until recently, the Mexican government maintained that most of the victims are tied to the DTOs and suggested the extensive violence should be seen as a sign of success.

Fourth, the power of the DTOs is fluid and the boundaries of their operations change. Even the seven organizations that formerly dominated the picture a year ago were only loosely geographically based. The conflict evolves as fighting between DTOs over drug plazas and corridors is exacerbated or resolved. Some DTOs have fragmented and this has generated more violence. But there is a debate if fragmentation represents a long-run weakening of the DTOs' influence and makes them more susceptible to state penetration.<sup>167</sup>

While forecasting changes in the violence is speculative, most analysts see the high levels of violence continuing in the near term.<sup>168</sup> The inputs from the United States that fuel the violence—high-powered guns and illicit profits—have not been significantly disrupted.<sup>169</sup> According to the

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<sup>163</sup> Mexican Federal Government, "Información Sobre el Fenómeno Delictivo en México," August 2010; David Shirk, "Mexican Government Reveals Distribution of Drug Violence," *Justice in Mexico* blog, Trans-Border Institute, <http://justiceinmexico.org/2010/08/28/>.

<sup>164</sup> Ríos and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2010*.

<sup>165</sup> Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.

<sup>166</sup> TBI, *Drug Violence in Mexico: Data and Analysis from 2001-2009*, January 2010.

<sup>167</sup> Diana Villiers Negroponte, "Measuring Success in the Drug War: Criteria to Determine Progress in Mexico's Efforts to Defeat Narco-traffickers," Brookings Institution, October 19, 2010, at [http://www.brookings.edu/opinions/2010/0525\\_mexico\\_drug\\_war\\_negroponte.aspx](http://www.brookings.edu/opinions/2010/0525_mexico_drug_war_negroponte.aspx).

<sup>168</sup> See *STRATFOR*, "Mexican Drug Cartels: An Update," May 17, 2010. The DEA in various testimony before Congress has predicted that the violence will continue to increase. For example, in testimony before the Senate Caucus on International Narcotics Control, DEA's Anthony Placido said "The fight against Mexican DTOs is at a critical stage and the violence which is the by-product of this contest may get worse before it gets better. As such, we must manage expectations as well. It took decades for these Mexican DTOs to gain the level of power and impunity that they presently enjoy. We're working at breakneck pains with our government of Mexico counterparts to deal with this cancer, but we may have to deal with the chemotherapy in the process." For more see, Statement of Anthony P. Placido, Assistant Administrator for Intelligence, Drug Enforcement Administration and Kevin L. Perkins, Assistant Director, Criminal Investigative Division, Federal Bureau of Investigation, Hearing before the Senate Caucus on International Narcotics Control, "Drug Trafficking Violence in Mexico: Implications for the United States," May 5, 2010.

<sup>169</sup> For background on the problem of gun trafficking, see CRS Report R40733, *Gun Trafficking and the Southwest Border*, by Vivian S. Chu and William J. Krouse. The Department of Homeland Security (DHS) estimates between \$19 to \$29 billion generated by illicit drug sales in the United States flows back to Mexico each year. See DHS, Immigration and Customs Enforcement (ICE), *United States-Mexico Criminal Proceeds Study*, June 2010. Analysts have found it difficult to determine how much of these funds are transferred back to the Mexican DTOs through bulk (continued...)

U.S. government, nearly 100,000 guns have been turned over to the U.S. Department of Justice's Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) for tracing by the Mexican government which were seized by authorities between 2007 through 2011. Of those, some 68,161 (68% of the total) were determined by the ATF to have come from the United States.<sup>170</sup> Seizures of illicit funds derived from drug trafficking have been low. Some estimate that \$20 to \$25 billion annually in bulk cash flows back to Mexico and its Colombian suppliers from drug sales in the United States. According to an analysis by the *Washington Post* of data from the U.S. and Mexican governments, only about 1% of this cash is recovered despite unprecedented efforts to seize more.<sup>171</sup>

However, there is a lively debate about how large the annual profits from drug trafficking actually are which flow back to Mexico from the United States. Estimates within the U.S. government vary, ranging from \$22 billion (U.S. Drug Enforcement Administration) to \$19 to \$29 billion (U.S. Department of Homeland Security) and an even broader range of \$8 to \$25 billion (U.S. State Department).<sup>172</sup> Nongovernmental analysts have calculated considerably lower estimates. The Rand Corporation released a report in 2010 that estimated the amount of drug revenues flowing to Mexico's DTOs annually at \$6.6 billion.<sup>173</sup> Independent scholar Alejandro Hope projects total export revenue for Mexico's drug trafficking organizations between \$4.7 to \$8.1 billion, with \$6.2 billion as the best estimate.<sup>174</sup> In April 2012, Mexico's Ministry of Finance released a study that estimated total proceeds from organized crime laundered in Mexico in 2011 at approximately \$10 billion, with drug trafficking accounting for 41% of the laundered proceeds.<sup>175</sup> Regardless of the total, some analysts remain skeptical that clamping down on money laundering will be the magic bullet for reducing illicit trafficking in Mexico or its associated violence.<sup>176</sup> They argue that other strategies are needed to tackle the problem. U.S. and

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(...continued)

cash flows and how much is laundered through other methods. Douglas Farah, "Money Laundering and Bulk Cash Smuggling: Challenges for the Mérida Initiative," in *Shared Responsibility: U.S.-Mexico Options for Confronting Organized Crime*, ed. Eric L. Olson, David A. Shirk, and Andrew Selee (Washington, DC: Woodrow Wilson International Center for Scholars and the University of San Diego, 2010).

<sup>170</sup> Pete Yost, "ATF: 68,000 Guns in Mexico Traced to U.S.," *Washington Post*, April 27, 2012. See also, Colby Goodman and Michael Marizco, *U.S. Firearms Trafficking to Mexico: New Data and Insights Illuminate Key Trends and Challenges*, Woodrow Wilson International Center for Scholars Mexico Institute, Working Paper on U.S.-Mexico Security Cooperation, September 2010. Analysts contest how many firearms the Mexican government has seized and if the sample of those submitted for tracing to the ATF is representative. The Mexican government and many others have maintained that the increased availability of high-powered weapons, often originating from the United States, provides the tools for more violence.

<sup>171</sup> William Booth and Nick Miroff, "Stepped-up Efforts by U.S., Mexico Fail to Stem Flow of Drug Money South," *Washington Post*, August 25, 2010.

<sup>172</sup> Mollie Laffin-Rose, "'Organized Crime Laundered \$10 Bn in Mexico in FY2011,'" *In Sight: Organized Crime in the Americas*, April 20, 2012. This article has links to all the U.S. government studies; see also footnote number 169.

<sup>173</sup> Beau Kilmer, Jonathan P. Caulkins, and Brittany M. Bond, et al., *Drug Trafficking Revenues and Violence in Mexico: Would Legalizing Marijuana in California Help?*, RAND Corporation, Los Angeles, CA, 2010.

<sup>174</sup> Eric L. Olson, *Considering New Strategies for Confronting Organized Crime in Mexico*, Woodrow Wilson International Center for Scholars: Mexico Institute, Washington, DC, March 2012.

<sup>175</sup> Mollie Laffin-Rose, "'Organized Crime Laundered \$10 Bn in Mexico in FY2011,'" *In Sight: Organized Crime in the Americas*, April 20, 2012.

<sup>176</sup> See for example, Alejandro Hope, "Money Laundering and the Myth of the Ninja Accountant," *In Sight: Organized Crime in the Americas*, October 11, 2011.

Mexican government officials assert that one of the most effective ways to dismantle the DTOs is to reduce the criminal proceeds that fund their operations.<sup>177</sup>

Cooperation between Mexico and the United States has markedly increased under the Mérida Initiative. Mexico has demonstrated an increased commitment to control its borders and announced an initiative in September 2010 to control money laundering and disrupt the flow of drug money.<sup>178</sup> In March 2012, the Mexican Attorney General's office created a Specialized Unit for Financial Analysis to increase the government's capacity to prosecute financial crimes including money laundering. In the United States, bilateral cooperation on money laundering cases, including training for Mexican prosecutors, has increased.<sup>179</sup> The United States and Mexico formed a Bilateral Money Laundering Working Group to coordinate the investigation and prosecution of money laundering and bulk cash smuggling.<sup>180</sup> Since 2001, the United States has applied financial sanctions to all the major DTOs in Mexico or individuals heading those DTOs (as well as several smaller organizations) under the Foreign Narcotics Kingpin Designation Act.<sup>181</sup> Between 2008 and April 2011, the U.S. government designated 271 individuals and 135 entities tied to the financial and commercial networks of Mexico's most wanted traffickers under the act.<sup>182</sup>

The brutal violence associated with drug trafficking in Mexico appears to exceed the violence that is intrinsic to narcotics trafficking and organized crime in general. The attack on civil society has been particularly harsh for local government officials and journalists, including the most recent rash of attacks in Veracruz. Beyond the reports of journalists, mayors, and young people being killed described earlier, there have been reports of innocent bystanders increasingly being caught in the violence. On August 25, 2011, 52 people lost their lives in a casino fire allegedly ignited by Los Zetas, the highest number of Mexican civilians killed in a single incident since the beginning of the government's campaign against organized crime.<sup>183</sup> President Calderón decried the incident as the work of "true terrorists."<sup>184</sup> Others have cited this incident as another example of organized crime's involvement in corruption and extortion.<sup>185</sup>

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<sup>177</sup> See, for example, testimony from Hearing before the U.S. Senate Caucus on International Narcotics Control, "Money Laundering and Bulk Cash Smuggling along the Southwest Border," March 9, 2011. Anti-money laundering efforts including countering bulk cash smuggling are important elements of the National Southwest Border Counternarcotics Strategy available at [http://www.whitehouse.gov/sites/default/files/ondcp/policy-and-research/swb\\_counternarcotics\\_strategy11.pdf](http://www.whitehouse.gov/sites/default/files/ondcp/policy-and-research/swb_counternarcotics_strategy11.pdf).

<sup>178</sup> Embassy of Mexico, "Fact Sheet – National Strategy for Preventing and Fighting Money Laundering and the Financing of Terrorism," September 2010.

<sup>179</sup> Joseph Palazzo, "U.S. in New Drug-Money Push," *Wall Street Journal*, September 30, 2010.

<sup>180</sup> For more background, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>181</sup> The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) targets and blocks financial assets, subject to U.S. jurisdiction, of drug kingpins and related associates and entities. See CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by Clare Ribando Seelke.

<sup>182</sup> Celina B. Realuyo, *It's All About the Money: Advancing Anti-Money Laundering Efforts in the U.S. and Mexico to Combat Transnational Organized Crime*, Woodrow Wilson International Center for Scholars: Mexico Institute, Washington, DC, May 2012. This report describes both U.S. and Mexican anti-money laundering efforts.

<sup>183</sup> Tracy Wilkinson, "As Fury Builds in Mexico, 5 Arrested in Casino Fire," *Chicago Tribune*, August 30, 2011.

<sup>184</sup> Dudley Althaus, "Calderon: Casino Killers 'Terrorists'," *Houston Chronicle*, August 27, 2011.

<sup>185</sup> "Corruption, not terrorism? Extortion now suspected in casino deaths," *Washington Post*, September 1, 2011.

The use of car bombs, simultaneous attacks in different cities, and a couple of incidents of seemingly indiscriminate attacks on civilians (including the aforementioned casino fire) have raised concerns that the DTOs may be using tactics similar to those of insurgent groups or terrorists.<sup>186</sup> The DTOs, however, appear to lack a discernible political goal or ideology, which is one element of a widely recognized definition of terrorism. The U.S. State Department, in its *Country Reports on Terrorism 2010*, published in August 2011, maintains that notwithstanding Mexico's "unprecedented drug trafficking-related violence.... No known international terrorist organization had an operational presence in Mexico and no terrorist group targeted U.S. interests and personnel in or from Mexican territory. There was no evidence ... that the criminal organizations had aims of political or territorial control, aside from seeking to protect and expand the impunity with which they conduct their criminal activity."<sup>187</sup>

The violence has affected the state of democracy in Mexico. For example, the human rights group Freedom House downgraded Mexico in its 2011 ranking as part of its annual evaluation of political rights and civil liberties worldwide. Freedom House ranks countries as free, partly free, or not free. In its *Freedom in the World 2011* report, Mexico was downgraded from "free" in 2010 to "partly free" in 2011 because of a decline in its political rights rating "due to the targeting of local officials by organized crime groups and the government's inability to protect citizens' rights in the face of criminal violence."

For the foreseeable future, current and future Mexican governments will likely have to deal with the DTOs and the violence they generate. The DTOs are having a profound demoralizing and delegitimizing effect on local, state, and federal government in Mexico. It may take years of building stronger institutions before violence is markedly reduced. Notwithstanding the DTO violence, Mexico continues to have one of the lower homicide rates in the region, although the recent escalation in drug trafficking-related deaths has pushed the national homicide rate significantly higher. From a nationwide homicide rate of 11 homicides per 100,000 in 2008, the national homicide rate rose to 14 per 100,000 in 2009.<sup>188</sup> According to a U.N. global study on homicide published last year, Mexico's homicide rate was 18 per 100,000 in 2010. The same study reporting national rates in the region for 2010 shows that Mexico's overall homicide rate is far lower than Guatemala (41), El Salvador (66), and Honduras (82). In South America, Colombia, Brazil, and Venezuela's national homicide rates also significantly exceeded Mexico's in recent years.<sup>189</sup> But the violence from organized crime has pushed up Mexico's rate. In 2007, organized crime deaths in Mexico were the cause of slightly less than 32% of all intentional homicides, but by 2010 and 2011 organized crime homicides accounted for more than half of all intentional homicides.<sup>190</sup>

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<sup>186</sup> Mark A. R. Kleiman, Jonathan P. Caulkins, and Angela Hawken, *Drugs and Drug Policy: What Everyone Needs to Know* (Oxford University Press, 2011); *Jane's Information Group*, "Jane's Sentinel Security Assessment – Central America and the Caribbean," February 16, 2011. Of note, some Members of Congress have introduced legislation (H.R. 1270, H.R. 4303) that would direct the U.S. Secretary of State to designate certain Mexican DTOs as foreign terrorist organizations.

<sup>187</sup> U.S. Department of State, *Country Reports on Terrorism 2010*, August 18, 2011.

<sup>188</sup> *Economist Intelligence Unit*, "Mexico Risk: Security Risk," September 23, 2010.

<sup>189</sup> United Nations Office on Drugs and Crime, *Global Study on Homicide: Trends, Contexts, Data*, 2011 at [http://www.unodc.org/documents/data-and-analysis/statistics/Homicide/Globa\\_study\\_on\\_homicide\\_2011\\_web.pdf](http://www.unodc.org/documents/data-and-analysis/statistics/Homicide/Globa_study_on_homicide_2011_web.pdf). Rates have been rounded to present nearest whole number.

<sup>190</sup> Molzahn, Rios, and Shirk, *Drug Violence in Mexico: Data and Analysis Through 2011*.



The Mexican public does not appear to credit the government's claim of success in reducing the violence and improving street security. Recent polls have shown Mexicans believe the DTOs are winning the conflict. For example, a survey conducted by Pew Research Center and published in late August 2011 found that less than half (45%) believed the government is making progress in the campaign against the DTOs.<sup>191</sup> However, the Pew study had some interesting additional findings. The Mexican public, while appalled at the violence, has continued to back the use of the Mexican military as part of the Calderón government's antidrug campaign (83% of respondents). This apparent support for the military's role in the antidrug effort comes despite a popular movement protesting abuses by the military which has gained ground since early 2011 (see below). According to the Pew survey, a larger fraction says they would support American military assistance (38%) than in 2010, with nearly three-quarters of respondents indicating they welcomed U.S. help to train the Mexican police and the military.<sup>192</sup> In another survey, "Citizenship, Democracy, and Drug-related Violence" conducted by several NGOs between May and June 2011 with more than 7,400 interviews of Mexicans from high, intermediate, and low violence states found that only 26% of respondents believed that the government was "winning the war on drugs." Somewhat paradoxically, this study found that Mexicans supported the government's strategy, but did not believe it was successful.<sup>193</sup> A recent poll conducted by the *Dallas Morning News* and the Mexican newspaper *El Universal* in May 2012 supports this finding. The poll of Mexican voters found 64% approve the Mexican military taking a lead role in the fight against organized crime whereas only 21% said they thought the strategy was working.<sup>194</sup>

President Calderón has confronted a recently emerging peace movement led by Mexican poet Javier Sicilia, whose son was killed by drug gangs in Cuernavaca in March 2011. Sicilia, who now leads the Movement for Peace with Justice and Dignity, has met with the president several times, including in a televised meeting in June 2011. He has led a peace caravan across Mexico, and headed demonstrations in Mexico City. Sicilia has urged the president to abandon his military-led strategy, which some of his supporters believe has caused violence and human rights abuses by security forces. They propose a new approach focused on combating poverty, inequality, and unemployment, which they say are contributing to the rising violence.<sup>195</sup>

For many Mexican citizens, the primary sign of success of Calderón's campaign against organized crime would be a significant reduction in the violence. But such a goal may prove elusive given that the government's current strategy is stimulating DTO rivalries and intra-DTO battles for succession. In addition, the operations of the Mexican security forces have led to complaints of human rights violations that include forced disappearances, torture, and arbitrary

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<sup>191</sup> Pew Research Center, "Crime and Drug Cartels Top Concerns in Mexico," Press Release, August 31, 2011. The study can be accessed at <http://pewglobal.org/files/2011/08/Pew-Global-Attitudes-Mexico-Report-FINAL-August-31-2011.pdf>

<sup>192</sup> Ibid. See also, Sara Miller Llana, "In Drug War, Mexico Warms to the U.S.," *Christian Science Monitor: Daily News Briefing*, September 2, 2011.

<sup>193</sup> CASEDE, USAID, and CEGI, et al., *Encuesta Ciudadanía Democracia y Narcoviolenencia (CIDENA, 2011): Methodology and Findings*, March 26, 2012. Summary in English at [http://csis.org/files/attachments/120326\\_SIMO\\_slides.pdf](http://csis.org/files/attachments/120326_SIMO_slides.pdf).

<sup>194</sup> Alfredo Corchado, "Most Mexicans Want U.S. to Take a Bigger Role in Fighting Violence, Poll Finds," *Dallas Morning News*, May 13, 2012.

<sup>195</sup> Candace Vallantin, "Mexicans Campaign to End Drug War; Renowned Poet Puts Down his Pen to Focus on a Caravan For Peace," *Toronto Star*, June 7, 2011.

detention.<sup>196</sup> The manner in which the violence will be reduced could depend upon the policies of the president who succeeds Calderón.<sup>197</sup>

To reduce the violence will require public support for the government's policy. Thus far, the confrontation with the DTOs and other criminal organizations has failed to bring the violence down, and public backing for the Calderón counterdrug strategy has waned. Some observers have criticized the Calderón government for adopting an aggressive approach (literally declaring war on the drug traffickers) without having a clear definition of success, without understanding the consequences of the policy, and without having the tools necessary to win.<sup>198</sup> Elements of the government's strategy in the Beyond Mérida program that are designed to reduce the violence, such as institutionalizing the rule of law, reforming the justice system, and completing economic and social development programs to combat crime, all have a longer timeframe.<sup>199</sup> It may take years or decades to build effective, efficient legal institutions in Mexico that resist threats and bribery. Yet policy analysts believe these institutions are necessary before the DTOs can be reduced from a national security threat to a law and order problem.

Some observers in Mexico are advocating anti-violence programs modeled on successful strategies used in other Latin American cities, such as Rio de Janeiro in Brazil and Guayaquil in Ecuador, or from programs in the United States.<sup>200</sup> Some analysts have called for a violence reduction strategy to be applied in the near term, while longer term efforts to reform the police and justice system carry on simultaneously. Drug policy analyst Mark Kleiman and others have endorsed enforcement efforts that concentrate resources on the most violent organizations.<sup>201</sup> Such a targeted strategy would sequentially focus on groups based on their violence levels or violence behaviors. It would put incentives in place to avoid the designation of being most violent. This strategy has risks associated with it including that such a policy might appear to favor one or more groups by focusing the government's efforts on a particular group (the most violent) or lead to greater disequilibrium among rival organizations.<sup>202</sup> However, the current non-selective or "undifferentiated" strategy seems to have stimulated drug war rivalries, invited succession battles, and continued to ratchet up the violence.

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<sup>196</sup> Human Rights Watch, *Neither Rights nor Security*; testimony from Hearing of the Tom Lantos Human Rights Commission, "Human Rights in Mexico," May 10, 2012.

<sup>197</sup> In Mexico, the President is limited to one six-year term by the Constitution.

<sup>198</sup> See, for example, Jorge G. Castaneda, "What's Spanish for Quagmire?," *Foreign Policy*, January/February 2010.

<sup>199</sup> The United States and Mexico are recognizing that reduction in violence must be a key goal of the Beyond Mérida strategy. For more on the Beyond Mérida strategy, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*.

<sup>200</sup> Eduardo Guerrero Gutiérrez, "Cómo Reducir La Violencia en México," *Nexos en Línea*, November 3, 2010. Guerrero cites the Boston program "Operation Ceasefire" and the Tri-Agency Resource Gang Enforcement Team (TARGET) of Orange County, California, as two examples of effective programs to reduce violence by applying the principle of concentrating enforcement efforts and reducing violence through credibly communicating to violent offenders that they will be prosecuted.

<sup>201</sup> Eric L. Olson, *Considering New Strategies for Confronting Organized Crime in Mexico*; Mark Kleiman, "Surgical Strikes in the Drug Wars: Smarter Policies for Both Sides of the Border," *Foreign Affairs*, vol. 90, no. 5, September/October 2011.

<sup>202</sup> Guillermo Vásquez del Mercado Almada, "Five Ps for a Violence Reduction Strategy in Mexico (Part III)," *Small Wars Journal*, March 9, 2012. The author also endorses a violence reduction strategy, but cautions against "sequential" targeting. He backs a strategy with the following tactics: "a) aim for simultaneous rather than sequential targets; b) contain violence; and c) conquer high intensity crime zones."

A very new development is significantly increased sharing of intelligence at the federal level by the United States with Mexico, which reflects greater U.S. confidence in Mexican law enforcement capacity and integrity. This development again raises the possibility that identifying and targeting DTO leaders for apprehension and investigation and successfully removing them can work to lower the violence. However, if the long-established pattern of ineffectual attacks and prosecution of DTO leaders continues, the intense violence is likely to endure. If a near-term solution to the violence is not adopted, there could be public pressure in Mexico to resort to the policies of accommodation that worked in the past. Alternatively, some communities may take matters into their own hands and resort to vigilante justice, as some have already.<sup>203</sup>

As noted above, U.S.-Mexico security cooperation has increased significantly with the implementation of the Mérida Initiative, an Administration program that Congress began funding in 2008. The new Beyond Mérida strategy in Mexico is increasingly focused on the challenges of bringing violence under control. The increased use of intelligence-based security operations that has led to successes in taking down the top DTO leaders is now being expanded to disrupt the capacity of the entire organization—not just top leadership and their hired killers, but those that handle the money and acquire the guns.<sup>204</sup>

The goal of the Mexican government's present drug strategy is to reduce the extent and character of the DTOs' activity from a national security threat to a law and order problem and to transfer responsibility from military forces back to the police. While the DTOs have used terrorist tactics, they do not use them to the degree or with the same intentions as did narco traffickers in Colombia.<sup>205</sup> Mexico's challenge remains largely an organized crime or mafia problem, and the most important tools for managing it include long-term institutional reform and the replacement of a culture of illegality with one of rule of law and legality.

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<sup>203</sup> Nick Miroff and William Booth, "In Mexico, a Legal Breakdown Invites Brutal Justice," *Washington Post*, December 9, 2010; Vanda Felbab-Brown, *Calderón's Caldron: Lessons from Mexico's Battle Against Organized Crime and Drug Trafficking in Tijuana, Ciudad Juárez, and Michoacán*, The Brookings Institution, Washington, DC, September 2011. In the Brookings report, see section on "Mexico's Militias."

<sup>204</sup> For more on the Mérida Initiative and Beyond Mérida, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>205</sup> Ken Ellingwood, "Is Mexico a New Colombia? Mexicans May Have Cause to Bristle at U.S. Comparison," *Chicago Tribune*, September 26, 2010. Also see **Appendix**.

## Appendix. Comparing Mexico and Colombia

Secretary of State Hillary Clinton compared the upsurge in violence in Mexico to the situation in Colombia 20 years ago in her remarks before the Council of Foreign Relations in September 2010.<sup>206</sup> The comparison to Colombia was quickly disavowed by the Mexican government (and reportedly by President Obama), but broadened the debate about the seriousness of the threat posed to Mexico's national security and democracy.

Some analysts employ the Colombia comparison to argue that the successes of Plan Colombia<sup>207</sup> offer appropriate prescriptions for Mexico. Other observers counter that Colombia two decades ago faced a very different challenge than Mexico faces today. The government of Colombia confronted an insurgency of armed guerrillas who were attempting to overthrow the Colombian government, while simultaneously facing a campaign of violence by its drug trafficking organizations. The Revolutionary Armed Forces of Colombia (FARC) and other armed groups in the country had the goal of replacing the Colombian state, which is significantly different from the goal of the DTOs of Mexico, which want impunity to traffic drugs and engage in other illicit activities for profit. While the FARC and other insurgents turned to drug trafficking to help finance their cause, their goal was to overthrow the sovereign state. At the height of their power, the FARC and other insurgents controlled more than a third of the country's municipalities.<sup>208</sup> The degree to which some of Mexico's municipalities are influenced by the DTOs is hard to determine. In Mexico, the goal of the traffickers is to corrupt the police and government at all levels to allow them to pursue illicit profits, but it is not to take control of the apparatus of the state. Thus, it remains a problem of criminality rather than a battle with insurgents or terrorists.

On the other hand, because some of the *characteristics* of the violence in Mexico—political assassinations, car bombs, extreme violence, and the increased killing of innocent bystanders—are similar to the tactics of political insurgents, some analysts have asserted that the violence goes beyond conventional organized crime behavior. These observers maintain that the violence is highly organized and exceptionally brutal, and therefore it is qualitatively different from criminal violence.<sup>209</sup> Some policy analysts have described the Mexican criminal organizations as a “criminal insurgency.”<sup>210</sup> John P. Sullivan at the Center for Advanced Studies in Terrorism describes how the response to the government's enforcement crackdown led to the evolution of the conflict and violence: “In Mexico, when faced with a crackdown, the cartels chose to battle

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<sup>206</sup> “A Conversation with U.S. Secretary of State Hillary Rodham Clinton,” Council on Foreign Relations, September 8, 2010. Transcript available at [http://www.cfr.org/publication/22896/conversation\\_with\\_us\\_secretary\\_of\\_state\\_hillary\\_rodham\\_clinton.html](http://www.cfr.org/publication/22896/conversation_with_us_secretary_of_state_hillary_rodham_clinton.html).

<sup>207</sup> Plan Colombia is a U.S.-supported counterdrug and counterterrorism program that has operated for more than a decade in Colombia. For more background, see CRS Report RL32250, *Colombia: Background, U.S. Relations, and Congressional Interest*, by June S. Beittel.

<sup>208</sup> U.S. General Accounting Office, *Drug Control: Challenges in Implementing Plan Colombia*, Statement of Jess T. Ford, Director, International Affairs and Trade, GAO-01-76T, October 12, 2000.

<sup>209</sup> For example, there have been near simultaneous actions against Mexico's military or police forces, coordinated attacks on different cities, cartel roadblocks throughout cities like Monterrey to prevent responders from reaching firefights or other hot spots, and kidnappings by cartel forces dressed in Mexican police or military uniforms or in close simulations of the official uniforms.

<sup>210</sup> For other analysts using the terminology of “criminal insurgency” see Bob Killebrew and Jennifer Bernal, *Crime Wars: Gangs, Cartels and U.S. National Security*, Center for a New American Security, September 2010.

each other and the government to maintain a stake in the game. A high level of violence, impunity, and a criminal insurgency were thus an unintended side effect.”<sup>211</sup>

From another perspective, Professor Phil Williams argues that the violence is that of traditional organized crime, but taken to new depths or levels of intensity. He suggests that the Mexican drug trafficking-related violence grows out of a “perfect storm” of conditions. The situation in Mexico has precedents and parallels with the growth of criminal organizations in Italy, Russia, Albania, and elsewhere. In addition, there is a feature of “anomie” to Mexico’s violence—the homicidal violence has become a feature of everyday life leading to “a degeneration of rules and norms and the emergence of forms of behavior unconstrained by standard notions of what is acceptable.”<sup>212</sup>

The Mexican DTOs have no ideology other than a ruthless pursuit of profit, but their corruption and intimidation have challenged the state’s monopoly on the use of force and rule of law. In Mexico, the police and court system, historically weak and undercut by corruption, are not equipped, organized, or managed to combat the drug organizations. Most arrests are never prosecuted. However, there have been many arrests, and suspects are usually displayed to the news media.<sup>213</sup> Arrests have only a low chance of turning into successful prosecutions. The rate of impunity (non prosecution) for murder in Mexico is 81% and higher for other types of crime.<sup>214</sup> The violent response of the DTOs to the Calderón government’s antidrug campaign, similar to what was seen in smaller municipalities throughout Colombia, has intimidated local, state, and federal authorities. DTO profits, like those made by local FARC commanders in Colombia, are shared with government officials at all levels. Unlike the Colombian FARC, the Mexican traffickers do not seek to replace the government and provide services, but they are committed to manipulating it with bribery and violence to continue their illegal activities without interference.

Some observers argue that parts of the Mexican state have been “captured” similar to the control insurgents once had over large parts of Colombia. These analysts maintain that some states or localities in Mexico are under DTO control.<sup>215</sup> For example, in Michoacán, the LFM organization controlled many local businesses through extortion (taxing businesses or charging them for security services). According to one estimate made in 2010, approximately 85% of legitimate businesses in Michoacán had some type of relationship with the LFM.<sup>216</sup> Another study concerning DTO presence in Mexican local governments was released in late August 2010. That study, entitled “Municipal Government and Organized Crime,” prepared for a committee of the Mexican Senate, reportedly found that 195 Mexican municipalities (8% of the total) were completely under control of organized crime, while another 1,536 (63% of the total) were “infiltrated” by organized crime. The study concluded that a majority of Mexican municipalities had organized crime elements capable of controlling the illicit businesses of retail drug trafficking, cultivation and trafficking of drugs, kidnapping, and extortion.<sup>217</sup> The study found that

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<sup>211</sup> John P. Sullivan, “Counter-supply and Counter-violence Approaches to Narcotics Trafficking,” *Small Wars & Insurgencies*, vol. 21, no. 1 (March 12, 2010), p. 186.

<sup>212</sup> Williams, “El Crimen Organizada y la Violencia en Mexico.”

<sup>213</sup> William Booth, “In Mexico, Made-for-TV Confessions,” *Washington Post*, August 31, 2011.

<sup>214</sup> Mexico Evalúa, *Seguridad y Justicia Penal en los Estados: 25 Indicadores de Nuestra Debilidad Institucional*, March 2012.

<sup>215</sup> For example, see William Finnegan, “Silver or Lead,” *The New Yorker*, May 31, 2010.

<sup>216</sup> *Ibid.*

<sup>217</sup> “Measuring the Extent of Drug Cartel Control in Mexico,” *LatinNews Daily*, September 15, 2010. Ricardo Ravelo, (continued...)

criminal structures operate with logistical support from corrupt municipal police and politicians.<sup>218</sup>

Some analysts contend that Colombia's experience provides valuable lessons for Mexico.<sup>219</sup> The increasing training provided by Colombian security forces to Mexico's army and police in recent years demonstrates that there are operational lessons that Mexican authorities value.<sup>220</sup> Others maintain that Mexico's situation is distinctly complex, which limits the relevance of Colombia as a model. Clearly, there are many lessons learned from studying the U.S. supported successes and failures in Colombia, but their application to Mexico is limited by the countries' very different histories and circumstances.

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"Los Cárteles Imponen Su Ley," *Proceso*, October 24, 2010.

<sup>218</sup> Ibid.

<sup>219</sup> For example, Robert C. Bonner, "The New Cocaine Cowboys," *Foreign Affairs*, vol. 89 (July/August 2010). Bonner looks to an earlier era for lessons from Colombia, but asserts that: "Virtually all the key lessons learned from the defeat of the Colombian cartels in the 1990s are applicable to the current battle against the Mexican cartels."

<sup>220</sup> Juan Forero, "Colombia Stepping Up Anti-Drug Training of Mexico's Army, Police," *Washington Post*, January 22, 2011.