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BEFORE  
THE HOUSE APPROPRIATIONS COMMITTEE, STATE, FOREIGN  
OPERATIONS, AND RELATED PROGRAMS SUBCOMMITTEE  
UNITED STATES HOUSE OF REPRESENTATIVES  
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Madam Chairwoman, Ranking Member Granger, and Members of the Committee:

Thank you for the opportunity to discuss the Mérida Initiative, which is a security cooperation partnership to combat transnational narcotics trafficking and organized crime in Mexico, Central America, and Caribbean.

Our partners in Mexico, Central America, Haiti and Dominican Republic have already made considerable progress in their own efforts to fight these transnational criminals, and they appreciate our help, which will enable them to greatly expand on this progress. Through bilateral and multilateral initiatives, these governments are demonstrating unprecedented will to work with us and each other to address these issues. This is a compelling opportunity to advance our common national security interests.

Roughly 90 percent of all the cocaine consumed in the United States transits Mexico. The country is also the largest foreign supplier of marijuana and methamphetamine to the United States. Central American officials have identified gangs, drug trafficking, and trafficking of arms as the most pressing security concerns in that region.

*The Challenge in Mexico*

Since his inauguration in December 2006, President Calderon has taken decisive action against transnational criminal organizations by conducting counternarcotics operations throughout the country, and initiating large scale police and rule of law reform. As the result of government pressure against the drug trafficking organizations, and conflicts among these organizations over access to prime trafficking routes to the United States, drug-related assassinations and

kidnappings have reached unprecedented levels. By some estimates, there were as many as 6,200 drug-related murders last year, including the deaths of 522 military and law enforcement officials, more than double the level in 2007.

Narcotics manufacturing in Mexico produced around 18 metric tons of heroin in 2007 and nearly 16,000 metric tons of marijuana. Profits from the drug trade, including the trafficking of cocaine and methamphetamine, generate an estimated \$13-\$25 billion in earnings per year for the drug cartels. Some 150,000 people are estimated to be directly involved in the narcotics business and another 300,000 are involved in marijuana and opium cultivation and processing. Mexican efforts against the drug gangs coincide with a trend of dramatic reduction in the purity of cocaine and methamphetamines in the United States, as well as an increase in street prices.

In recent years, Mexico's drug trafficking organizations have acquired increasingly sophisticated and powerful weaponry – largely from purchases made in the United States. The massive drug profits flowing from the United States are used to finance operations and suborn officials. Arms purchased or otherwise acquired here and smuggled into Mexico equip the cartels with mines, anti-tank weapons, heavy machine guns, military hand grenades, and high powered sniper rifles and high-tech equipment. Smuggling also equips the cartels with night-vision goggles, electronic intercept capabilities, encrypted communications and helicopters. In addition, some of the groups, such as the "Los Zetas" (former military who have become the enforcement arm of the Gulf Cartel), have received specialized training in weapons and tactics. Municipal and state police, and even the military, are woefully ill equipped to confront such well armed and trained forces. Through arms trafficking assistance provided under the Mérida Initiative and domestic programs to stop the flow of weapons across the border, the United States government is increasing efforts to counteract the impact of weapons smuggled from the U.S.

By disrupting the illicit drug market, President Calderon reduced the earnings of major trafficking organizations, which caused them to react. As challenging as this struggle has become, President Calderon recognizes that failure to act now could result in organized criminal elements digging even deeper into the fabric of Mexican society, thus making the cost of dealing with these problems later even more significant. Organized crime, however, should not simply be displaced further south to Central America or into the Caribbean, and therefore the Mérida Initiative includes assistance to Central America, Haiti and the Dominican Republic.

### *The Challenge in Central America*

Mérida Initiative assistance will aid Central American efforts to fight transnational criminal groups. Specifically, it targets trafficking in drugs and arms; deteriorating public security, including the threat of gangs; and strengthening justice institutions. The United States plans to strengthen the ability of the countries in Central America to stop the trafficking of drugs along both coasts by strengthening their maritime interdiction capacity, building on the existing Enduring Friendship program to ensure compatibility and interoperability.

We are protecting land borders by providing inspection equipment and training in the tactical use of this equipment. Mérida will improve the region's capacity to share information on criminals through vetted investigative units, on-line drug crime information and systems to share fingerprints.

Mérida addresses arms trafficking with training and a regional arms advisor. All of the Central American nations signed the e-trace agreement at the meeting of the Central American Integration System (SICA) in Washington last December, therefore that system will now be extended into and utilized by these countries.

Overwhelmed police are losing the battle to keep the public safe, as organized criminals have stepped up murder, extortion, kidnapping and robbery. Gang members migrate within Central America and from the United States, where they also commit crimes. Mérida provides funding to implement the U.S. Strategy to Combat Criminal Gangs, including specialized anti-gang units in El Salvador, Honduras, and Guatemala that will improve investigation and prosecution of dangerous gang members. Mérida will improve processes for repatriation and fund community prevention programs to prevent youth from joining gangs. Community programs will also strengthen local governments and help fight the underlying social conditions that contribute to crime.

Mérida also addresses the long term strengthening of justice sector institutions, by improving police training, training prosecutors to build better cases, and improving management of prisons so they are no longer centers for committing crimes.

### *The Response: The Mérida Initiative*

In July 2008, Congress appropriated \$465 million for the first phase of the Initiative -- \$400 million for Mexico and \$65 million for Central America and the

Caribbean. The Department of State, and specifically my Bureau, has been charged with overseeing the largest portion of Merida funding. I want to stress, however, that Merida is a collaborative effort. We work closely with key agencies like USAID, and the Departments of Defense, Homeland Security, Justice, and Treasury both in Washington and at our Embassies in the region as well as with all our host nation partners. As we enter the phase of more concrete implementation, our collaboration will accelerate.

The majority of the Mérida effort obviously is in Mexico, but the following descriptions will apply to Mérida programs throughout the region:

### *Corruption*

President Calderon has made fighting corruption a centerpiece of his efforts to rebuild public trust in Mexican institutions. Last year, his government launched a comprehensive anti-corruption investigation dubbed “Operation Clean House” which immediately resulted in the detention of six high-ranking law enforcement officials, including members of the Attorney General’s Office (PGR), federal police and Mexican representatives to Interpol. Dozens more junior federal security officials have also been suspended or fired over corruption charges.

Moreover, the Secretariat of Public Security (SSP) is leading efforts to restructure and improve the capacity of the federal police. For example, the SSP plans to develop the means to vet the entire federal police force -- and eventually all state and municipal police -- to stem corruption.

For Mexico, the Mérida Initiative contains resources to enhance polygraph programs, provide training for new police officers, and a very aggressive pre-employment screening process, in which we expect DHS and DOJ to be important implementation partners. Other Mérida programs for both Mexico and Central America include:

- Expanding existing “Culture of Lawfulness” projects that will reach across governmental institutions in order to promote respect for the rule of law among a variety of societal actors, including public school students and recruits at police academies;
- Training for ethics and anti-corruption under an existing police professionalization program (8,112 were trained last year) and citizen

complaint offices so that the public can report alleged instances of corruption;

- Working with Mexican law enforcement agencies to encourage greater transparency and accountability, such as helping train and equip inspector general offices, who will confront corruption throughout the federal bureaucracy.

### *Judicial reform*

The Mérida Initiative includes various efforts to improve crime prevention, modernize the Mexican police force, and strengthen institution building and rule of law, for which DHS and DOJ have special expertise to contribute. Case management software, technical assistance programs, and equipment will support Mexico's judicial and police reforms by enhancing their ability to investigate, convict, sentence, and securely detain those who commit crimes. Technical assistance and training programs will support Mexico's development of offices of professional responsibility, inspectors general, and new institutions designed to receive and act on citizen complaints. Increased training for prosecutors, defenders, and court managers in Central America, will also assist with judicial reform.

### *Prisons*

The Initiative will also expand technical assistance on prison management, and will aid in severing the connection between incarcerated criminals and their criminal organizations. This program will assist Mexico's efforts to improve the effectiveness of its prison system to more effectively manage violent offenders and members of criminal networks. More than 220,000 prisoners crowd the 438 state/municipal and six federal penal facilities. Of the 50,000 in federal facilities, some 19,000 are incarcerated awaiting sentencing. The Mexican Government is particularly interested in this program to develop a new maximum security prison, by reviewing other federal prisons holding the most violent criminals, establishing related administrative regulations for their most effective management, and developing a curriculum for a dedicated corrections training academy. The training academy will be located in Xalapa, Veracruz, and plans to graduate as many as 4,000 new corrections officers by the end of the year.

### *Anti-money laundering*



One of our existing programs supports anti-money laundering efforts by the Government of Mexico by assisting the Government's Financial Intelligence Unit (FIU) and supporting police and prosecutors who investigate money laundering-related crimes. Both DHS and DOJ can make contributions in this area. As part of the Mérida Initiative, the U.S. will support the FIU through the expansion of software for data management and data analysis associated with financial intelligence functions and law enforcement.

### *Interdiction and Border Security*

Nearly half of our present programs focus on interdiction, including support for the Mexican counterparts of our federal law enforcement agencies. To further advance this cooperation, funding under the Mérida Initiative focuses support for the Department of Justice's (DOJ) Consolidated Crime Information System; purchasing special investigative equipment, vehicles and computers for the new Federal Police Corps; creating special police units to focus on high-profile criminal targets and to deploy at major airports and seaports; and assessing security and installing equipment at Mexico's largest seaports.

Our ongoing programs focus on border security by principally providing inspection equipment and associated tactical training to support inspection capabilities of police, customs and immigration. Funding you provided also supports equipment and specially trained canine teams that will pursue drugs, bulk cash, explosives and other contraband. We also facilitate the real-time interchange of information related to potential counterterrorism targets. We expect Customs and Border Protection and the Alcohol, Tobacco, and Firearms Agency to play important roles in these areas.

Several other programs that support of interdiction and border security efforts include the following:

- Information technology support that will assist Mexico's federal migration authorities improve their database and document verification capabilities;
- Additional communications equipment will improve their ability to conduct rescue and patrol operations along Mexico's southern border;
- Equipment for a secure communications network, data management, and forensic analysis will strengthen coordination among Mexican law

enforcement agencies and greatly enhance Mexico's ability to prosecute narcotrafficking and other transborder crimes;

- Technologies such as gamma-ray scanners, density measurement devices, and commodity testing kits will help prevent the cross-border movement of illicit drugs, firearms, financial assets, and trafficked persons;
- Expansion of weapons tracing programs will enable increased joint and individual country investigations and prosecutions of illegal arms trafficking;
- Enhanced information systems in Mexico will strengthen analytical capabilities and interconnectivity across law enforcement agencies and improve information sharing with U.S. counterparts; and
- Additional transport and light aircraft in Mexico will improve interoperability and give security agencies the capability to rapidly reinforce law enforcement operations nationwide.

### *Demand Reduction*

In addition to rising levels of drug-related violence, chronic drug consumption has doubled since 2002 in Mexico to 500,000 addicts, possibly 5 percent or 3.5 million people consume illegal drugs. The fastest growing addiction rates are among the 12 to 17 year old population, and consumption rates among women have doubled. The Mérida Initiative is building significantly on existing demand reduction programs by:

- supporting the National Council against Addictions' efforts to provide computer hardware for a distance learning platform for the entire country to facilitate training and technical assistance on drug prevention and treatment;
- establishing a national-level counselor certification system in order to improve the delivery of drug treatment services;
- creating Drug Free Community Coalitions to increase citizen participation in reducing drug use among youth; and

- providing an independent evaluation of the drug treatment/certification projects in order to assess training effects and long-range outcomes such as decreased drug use and reductions in criminal activity.

### Mérida Implementation

All of the programs and projects funded through the INCLE account are moving forward through Letters of Agreement (LOAs) with the host nations in the region. On December 3, 2008, an LOA was signed with the Government of Mexico obligating \$197 million of the funding for counternarcotics programs. LOAs were also signed with Honduras on January 9, El Salvador on January 12, Guatemala on February 5 and Belize on February 9. Panama expects to sign in the near future. Other programs funded through other accounts are also moving forward in both Mexico and Central America.

On December 19, the Governments of the United States and Mexico met to coordinate the implementation of the Mérida Initiative through a cabinet-level High Level Group, which underscored the urgency and importance of the Initiative on both sides of the border. A working level inter-agency implementation meeting was held February 3 in Mexico City with the aim of accelerating the implementation of the 48 projects through nine working groups for Mexico under the Initiative. A follow on meeting was held March 2.

Of course, the urgency of this effort dictates that we not wait for the infrastructure to be in place before delivering assistance. Initial projects under the Initiative have begun to roll out, including a bilateral workshop on strategies on prevention and prosecution of arms trafficking to be held in April, the implementation of an anti-trafficking-in-persons system for the Attorney General's Office this month, opening three immigration control sites along the Mexico-Guatemala border that will issue biometric credentials to frequent Guatemalan border crossers in May, and a train-the-trainer program for SSP Corrections officers, which will graduate 200 officers in June.

The leaders of Mexico and Central America agree that transnational crime is a regional problem, which will require regional solutions. To that end, the Mérida Initiative will combine each nation's domestic efforts with broader regional cooperation to multiply the effects of our actions. Mérida programs were designed with the belief that strengthening institutions and capacity in partner countries will enable us to act jointly, responding with greater agility, confidence and speed to



the changing tactics of organized crime. We continue with that belief, however, nobody envisioned the severity or scope of the cartels present response.

Success in Mexico requires the commitment and resolve of the Mexican government and the buy-in of the Mexican people, which is present in the Calderon administration and a population increasingly concerned about the human toll of transnational crime and illicit drug trafficking. Likewise, we will commit U.S. law enforcement agencies to increase their efforts to work in partnership with their Mexican counterparts to combat the scourge of organized crime and drug trafficking that plagues communities on both sides of the border.

Our mutual commitments with Central America are also strong; the escalating violence in Guatemala as the cartels are pressured in Mexico is a demonstration of the urgency we must bring to this endeavor. We are also seeing a dramatic increase in the number of air and maritime drug trafficking events going into the island of Hispaniola, primarily on the Dominican side. Drug traffickers are attempting to secure routes and contacts to facilitate the shipment of drugs to the United States and Europe.

The progressive increase in the depth and breadth of joint operations between our governments was always an underlying assumption of the Mérida Initiative, and having only entered the initial phases of implementation we already have an opportunity to expand our collaboration. The current violence along our southwest border presents an opportunity to work in conjunction with our Mexican counterparts to provide better security for residents on either side of the border. Planning for such expanded law enforcement operational cooperation is only just beginning, and must include a multitude of agencies on either side of the border. Once defined, there will be an associated cost in order to ensure that capabilities between Mexican agencies and their U.S. counterparts will ensure any response is timely and well coordinated, with visibility from all agencies, both U.S. and Mexican, along the border. I look forward to working with you to enable this new phase of U.S.-Mexico collaboration.

Thank you for your time and I will be happy to answer any questions you may have.