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Regarding

**“Violence Along the Southwest Border”**

Before the

**House Appropriations Committee**  
**Subcommittee on Commerce, Justice, Science and**  
**Related Agencies**



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## **INTRODUCTION**

Chairman Mollohan, Ranking Member Wolf, and distinguished Members of the Committee, on behalf of Drug Enforcement Administration (DEA) Acting Administrator Michele Leonhart, I appreciate your invitation to testify today regarding violence in Mexico along the United States southwest border. The DEA has outstanding relationships with law enforcement agencies on both sides of the border. With the assistance of our counterparts, the DEA strives to coordinate investigative activity and develop intelligence in order to efficiently and effectively manage law enforcement efforts with the goal of identifying, infiltrating, and destroying rogue drug trafficking organizations. These organizations are directly responsible for the violence in Mexico. On behalf of Acting Administrator Michele Leonhart and the more than 9,000 men and women of the DEA, I am honored to have the opportunity to share these perspectives with you today.

## **OVERVIEW**

Almost immediately following his inauguration as President of Mexico in December 2006, Felipe Calderon – of his own volition – initiated a comprehensive program to break the power and impunity of the drug cartels. As a direct consequence of this effort, there has been a sharp spike in murders and violent crimes in Mexico, generating significant concern by some that Mexico is on the verge of becoming a “failed state” and that this violence would spill over our Southwest border at increased levels with adverse consequences to U.S. interests.

The increased level of violence that currently plagues Mexico represents, in large measure, a desperate attempt by drug traffickers to resist the sustained efforts of a very determined Mexican Administration; it is not an indication of imminent failure. Since the Calderon Administration assumed power, the Government of Mexico has made record seizures of drugs, clandestine laboratories, weapons and cash. They have arrested large numbers of defendants, including high level representatives of all of the major Mexican Cartels and, in unprecedented fashion, extradited more than 190 of these defendants to face prosecution in the U.S. They have also begun the more difficult process of reforming their institutions, transitioning from a written inquisitorial to an oral adversarial system of justice, vetting and training police, prosecutors and jailers, establishing a new organized crime tribunal and addressing corruption as never before.

DEA believes the Government of Mexico has demonstrated remarkable commitment and resolve. As a result of Mexico’s efforts, together with efforts undertaken by DEA and the interagency domestically and by our partners throughout the region, Mexican drug trafficking organizations have been placed under unprecedented stress. We are mindful, however, that success against these powerful criminal adversaries is far from certain and the consequences of transnational criminals prevailing in their bloody conflict with the Calderon Administration would pose devastating consequences for the safety and security of citizens on both sides of our Southwest border. The U.S. has seized this historic opportunity to collaborate with Mexico. Through the Merida Initiative and the

funding provided by the U.S. Congress our Mexican counterparts have additional resources to protect the safety and security of citizens on both sides of our border.

## **THE SOUTHWEST BORDER**

The Southwest Border (SWB) of the United States is the principal arrival zone for most illicit drugs smuggled into the United States, as well as the predominant staging area for the drugs' subsequent distribution throughout the country. According to El Paso Intelligence Center (EPIC) drug seizure data, most of the cocaine, foreign source marijuana and methamphetamine, and Mexican-source heroin available in the United States is smuggled into the country across the SWB from Mexico. The SWB is particularly vulnerable to drug smuggling because of the enormous volume of people and goods legitimately crossing the border between the two countries every day. Moreover, large sections of the nearly 2,000 mile land border between Mexico and the United States are both vast and remote, and this provides additional smuggling opportunities for Mexican drug trafficking organizations (DTOs). Once at the border, Mexican traffickers use every method imaginable to smuggle drugs into this country including aircraft, backpackers, couriers, horses and mules, maritime vessels, rail, tunnels, and vehicles.

In response, the DEA, in cooperation with its federal, state, local and foreign counterparts, is attacking these organizations at all levels. The disruption and dismantlement of these organizations, the denial of proceeds, and the seizure of assets significantly impacts the DTOs ability to exercise influence and to further destabilize the region. Key to DEA's operations and success is collection and sharing of intelligence, which is made possible and enhanced through the El Paso Intelligence Center, DEA's Special Operations Division, the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, DEA's participation Intelligence Community, and daily law enforcement interaction with DEA offices along the border. In short, guided by intelligence, DEA is working diligently on both sides of the border to stem the flow of illicit drugs and assist the Government of Mexico in breaking the power and impunity of the drug cartels.

## **THE SCOPE OF DRUG TRAFFICKING ON THE SOUTHWEST BORDER**

Prior to addressing Mexico's security situation, it is important to have a clear picture of the illicit drug-trafficking industry within Mexico as it relates to the United States. No other country in the world has a greater impact on the drug situation in the United States than does Mexico. The influence of Mexico on the U.S. drug trade is truly unmatched: the result of a shared border; Mexico's strategic location between drug-producing and drug-consuming countries; a long history of cross-border smuggling; and the existence of diversified, poly-drug, profit-minded DTO's. Each of the four major drugs of abuse – marijuana, cocaine, heroin, and methamphetamine – are either produced in, or are transshipped through, Mexico before reaching the United States. On our side of the border an appetite for these drugs sends billions of U.S. dollars and an unknown number of weapons back to Mexico annually. Many of the smuggled weapons are used against the Mexican security forces. The single objective of those who ply the drug trade is

profit: for Mexican traffickers, that profit is estimated by NDIC at \$8-\$24 billion per year. For all of these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug-trafficking.

*Heroin* - Mexico is an opium poppy-cultivating/heroin-producing country. While Mexico accounts for only about six percent of the world's opium poppy cultivation and heroin production, it is a major supplier of heroin to abusers in the United States, particularly in regions west of the Mississippi River. It has been alarming to note that Mexican black tar and brown heroin has appeared increasingly in eastern-U.S. drug markets over the past several years. We assess with high confidence that Mexican cartels are seeking to maximize revenues from an industry that they control from production through distribution.

*Marijuana* - Mexico is the number one foreign supplier of marijuana abused in the United States. In fact, according to a 2008 inter-agency report, marijuana is the top revenue generator for Mexican drug trafficking organizations—a cash crop that finances corruption and the carnage of violence year after year. The profits derived from marijuana trafficking – an industry with minimal overhead costs, controlled entirely by the traffickers – are used not only to finance other drug enterprises by Mexico's poly-drug cartels, but also to pay recurring “business” expenses, purchase weapons, and bribe corrupt officials. Though the Government of Mexico has a robust eradication program, many of the military personnel traditionally assigned to eradicate marijuana and opium poppy have recently been diverted to the offensive against the cartels.

*Methamphetamine* -Mexico is also the number one foreign supplier of methamphetamine to the United States. Although the Mexican government has made enormous strides in controlling – even banning – the importation of the methamphetamine precursor chemicals ephedrine and pseudoephedrine, Mexican methamphetamine-producing and trafficking organizations are proving to be extremely resourceful in circumventing the strict regulatory measures put in place by the Calderon Administration.

*Cocaine* - Mexico's importance in the cocaine trade cannot be overstated. Since the 1980s, Mexico has served as a primary transportation corridor for cocaine destined for the United States. While Mexico is not a coca-producing country and therefore cannot control the trade from beginning to end, traffickers in Mexico have managed nonetheless to exert increasing control over the trade in exchange for shouldering the greater risk inherent in transporting the cocaine and ensuring its distribution in the United States. In recent years, Mexican trafficking organizations have extended their reach deep into South America to augment – or personally facilitate – cooperation with Colombian sources of supply, or to develop relationships with alternate sources of supply in other cocaine-producing countries, particularly Peru. Demonstrating an even further reach into global cocaine markets, Mexican drug traffickers have evolved into intermediate sources of supply for cocaine in Europe, Australia, Asia, and the Middle East. More important, for our discussion today, Mexican drug trafficking organizations dominate the retail distribution of cocaine and other drugs of abuse throughout the U.S.

Current estimates suggest that approximately 90 percent of the cocaine leaving South America for the United States moves through Mexico. In just the past year, however, more cocaine – about 47 percent of the 90 percent, according to inter-agency estimates – stops first in a Central American country, before onward shipment to Mexico, than at any time since the inter-agency began tracking cocaine movements. This trend suggests that the Calderon administration’s initiatives, particularly those related to port security and the tracking of suspicious aircraft, are having an impact on how the cartels do business, requiring them to take the extra – and ostensibly more costly – step of arranging multi-stage transportation systems.

Changes in cocaine movement patterns are not the only measurable trend. Beginning in January of 2007 – immediately after the Calderon government was installed – the price per gram of cocaine in the United States began to rise, with a correlative drop in cocaine purity. We are now in a 24 month sustained period of declining purity and increasing price in nearly every major cocaine market in the United States. During this period we have seen price more than double (up 104%) and purity fall by almost 35%.

### **VIOLENCE IN MEXICO: STATISTICS AND CAUSES**

While it may seem counterintuitive, the extraordinary level of violence in Mexico is another signpost of successful law-and-order campaigns by military and law enforcement officials in Mexico. The violence in Mexico can be organized into three broad categories: intra-cartel violence that occurs among and between members of the same criminal syndicate, inter-cartel violence among and between rival cartels, and cartel versus government violence. It is significant to note that intra- and inter-cartel violence have always been associated with the Mexican drug trade. DEA assesses that the current surge in violence is driven in large measure by the Government of Mexico’s proactive actions against the traffickers, along with other variables.

The drug trade in Mexico has been rife with violence for decades. Without minimizing the severity of the problems we are confronted with today, it is nonetheless critical to understand the background of the “culture of violence” associated with Mexican DTOs and the cyclical nature of the “violence epidemics” with which Mexico is periodically beset. Though no previous “epidemic” has exacted as grisly a toll as 2008, we do not have to go very far back in history to recall the cross-border killing spree engaged in by Gulf Cartel Zeta operatives in the Laredo-Nuevo Laredo area during 2004-2005. But one thing must remain clear in any discussion of violence in Mexico, or violence practiced by Mexican traffickers operating in the United States: drug gangs are inherently violent, and nowhere is this more true than in Mexico, where Wild West-style shootouts between the criminals and the cops, and/or elements of opposing trafficking groups is far too common.

We cringe at news stories detailing the arrest of a “pozolero” (stew-maker), a killer who disposes of his victims’ body parts in barrels of acid, or the discovery of a mass grave containing the remains of countless victims decomposing under a layer of lime.

But these and other gruesome tactics are not new. What is both new and disturbing are the sustained efforts of Mexican drug trafficking organizations to use violence as a tool to undermine public support for the government's counter-drug efforts. Traffickers have made a concerted effort to send a public message through their bloody campaign of violence. They now often resort to leaving the beheaded and mutilated bodies of their tortured victims out for public display with the intent of terrorizing government officials and the public alike. Further, DTOs have also communicated that they are not deterred from pursuing their victims in the United States, posing a real risk to our communities on the Southwest Border.

In 2007, the number of drug-related killings in Mexico doubled from the previous year. Of the 2,471 drug-related homicides committed in that year (source: Attorney General's Office (PGR), law enforcement and intelligence sources estimate that around 10 percent were killings of law enforcement or military personnel. In 2008, estimates are that approximately 8 percent of the 6,263 drug-related killings were of law enforcement or military officials. Since January 2009, approximately 1,000 people have been murdered in Mexico, about 10 percent of whom have been public officials. While we have no precise measurements, we assess that a large percentage of the officials killed in both years were corrupt officials, who either failed to do the bidding of their controlling cartel, or who were targeted for assassination by a rival cartel. We do not mean to suggest, however, that Mexico has not lost a number of honest and courageous public servants in its contest with the cartels.

Particularly worrisome are those tactics intended to intimidate police and public officials, and law abiding citizens. In some cases these tactics have caused defections from police organizations – often with former police officials seeking asylum and protection in the United States. As disturbing as these tactics are, they do not appear to be having any impact on staffing of the federal police or military that are the primary tools in the Calderon Administration's offensive. Although Calderon currently enjoys a high level of public support, as does his crack down against the traffickers, DEA assesses that the Calderon Administration is not only fighting a formidable adversary in the traffickers, it is also fighting the clock as public support for this often bloody offensive cannot remain high indefinitely. Unfortunately, we have no basis to assess how much violence the Mexican public will tolerate before it opts to negotiate with the cartels. In the case of President Calderon's government, the evidence suggests that they will not be cowed even in the face of the most horrific acts of violence.

Murder is not merely a coercive strategy on the part of the cartels. The murders are acts of desperation. Operational successes by the military and law enforcement, and massive reforms being undertaken by the judiciary, have provided the catalyst for much of the violence. The deployment of tens of thousands of military troops – mobilized specifically to confront drug trafficking organizations in "hot spots" throughout the country (most recently, an additional 5,000 to Ciudad Juarez in February 2009 to supplement the 2,500 troops already in place in that city), along with concerted law enforcement operations targeting specific cartel members or specific import/export hubs, have disrupted supply routes both into and out of Mexico, and have shattered alliances.

Entry ports for large maritime shipments of cocaine from South America, previously wholly controlled by the cartels through corruption, intimidation, and force, are instead patrolled and inspected by vetted members of Mexico's armed forces. The lucrative transportation corridors within Mexico and into the United States, once incontestably held by cartel "gatekeepers" and "plaza bosses," are now riddled with military checkpoints and monitored by Mexican law enforcement.

Disrupted supply routes translate to intense competition between the drug trafficking organizations who control still-viable routes, and those who want to control them. These stressors are further compounded with shifting alliances, long-standing feuds, and record-breaking seizures by the Government of Mexico. Challenging the status quo and holding the traffickers accountable demonstrates the resolve of President Calderon's government. Successfully transforming the situation from one that represents a serious threat to the national security of both Mexico and the U.S. to a problem that can effectively be dealt with as a traditional criminal justice problem will require considerably more work, particularly with regard to institutional reform and anti-corruption efforts. Fortunately, President Calderon has already committed to these reforms, both in rhetoric and in action.

### **SPILOVER VIOLENCE**

Excessive violence by the cartels is a national security problem for Mexico, and – as our close neighbor and political ally – present high stakes for the United States. In the past year, U.S. intelligence and law enforcement agencies have worked diligently to reach a consensus view on "spillover" violence and on U.S. vulnerability to the Mexican cartels' violent tactics. These discussions required the interagency to define "spillover" in practical terms. As agreed to by the interagency community, spillover violence entails deliberate, planned attacks by the cartels on U.S. assets, including civilian, military, or law enforcement officials, innocent U.S. citizens, or physical institutions such as government buildings, consulates, or businesses. This definition does not include trafficker on trafficker violence, whether perpetrated in Mexico or the U.S. Spillover violence is a complicated issue. We are all tempted to paint the problem with a very broad brush and react emotionally to violent incidents inside the United States involving Mexican drug traffickers and their victims. But it is crucial, in order to address the problem with the appropriate programs, resources, and operations, that we understand the difference between "terrorist" acts – the murder of a U.S. law enforcement agent, or the bombing of a U.S. government building, for example – and actions that are characteristic of violent drug culture, such as the killing of an individual who owes a drug debt to the organization. Certain isolated incidents in the United States, such as the torture by a Mexican trafficker of a Dominican drug customer in Atlanta, are frightening, but do not represent a dramatic departure from the violence that has always been associated with the drug trade.

Recent news reports concerning drug-related kidnappings in Phoenix also rarely, if ever, qualify as "spillover" incidents as defined by the interagency. A Phoenix Police Department/FBI task force was established in September 2008 to address the spate of kidnappings in that city. Although this task-force has not yet reached a final

determination on how many of last year's 357 kidnappings were wholly drug-related, we do know that a large percentage of these kidnappings are extortion-type crimes. Examples include the relative of a drug debtor being held until the debt is paid, or – most commonly – illegal aliens held en masse in “safe houses” until U.S.-based families pay an additional transportation fee.

We are by no means trying to downplay our concern. DEA and our U.S. government partners are closely monitoring the border and other U.S. cities with a concentrated presence of Mexican drug trafficking organizations like Atlanta, Chicago, Seattle, St. Louis, and Charlotte, for even minute changes in crime trends. In addition, the inter-agency has established “red lines” (or tipping points) that might suggest a change in the modus operandi of the trafficking organizations, such as unsanctioned violent actions by young, rogue elements of the cartels that go unpunished by cartel principals, or wholesale disregard for the loss of innocent life in concerted actions by the traffickers against the Mexican government. However, we assess with medium confidence that in the short term there will be no significant increase in spill over violence, as Mexican trafficking organizations understand that intentional targeting of U.S. persons or interests unrelated to the drug trade would likely undermine their own business interests.

### **GOVERNMENT OF MEXICO INITIATIVES**

In the two years since Felipe Calderon assumed his post as President of Mexico, he and his administration have acted with unprecedented vigor and resolve against organized crime and its primary purveyors, the drug cartels. With sustained efforts in attacking the insidious problems of drug-related corruption and violence on every front, the Calderon Administration must be credited at least partially with the sustained reduction in the availability of cocaine in the United States.

Having deployed the military to replace state and local police in the most violence-plagued areas of the country, President Calderon attacked the very core of cartel power: the corruption of public officials. With narco-corruption cases increasingly pointing to high-ranking federal officials in the Mexican government, President Calderon launched Operation Limpieza (Clean Sweep). Designed to improve operational integrity within several Mexican government agencies, including the Attorney General's Office (PGR), the Secretariat of Public Security, and the military, Operation Limpieza has already resulted in the arrests of dozens of corrupt public officials, and the drafting of a joint Government of Mexico-U.S. Department of Justice proposal on police and judicial reforms. Benchmark reforms include improvements in internal security processes (such as background investigations, internal affairs/disciplinary actions, ethics training), information security processes (such as evidence handling and case file management), and physical security processes (such as structural improvements and access limitations).

In addition, the Government of Mexico created the Special Organized Crime Court (SOCC), which has jurisdiction over organized crime investigations throughout the Republic of Mexico, and has three primary functions: 1) to authorize the provisional detention of organized crime suspects; 2) to authorize search warrants; and 3) to



authorize the interception of communications for evidentiary purposes. The SOCC has nationwide jurisdiction, which not only eliminates the administrative inefficiencies of the previous system, but should also resolve intimidation and corruption-related issues associated with the previous requirement that prosecutors go to local judges in close proximity to the suspected criminal activity.

In June 2008, President Calderon approved the Constitutional amendment permitting the Government of Mexico's transition from a written inquisitorial (confession-based) justice system, to an oral adversarial (investigations-based) criminal justice system. This transition is a significant step toward improving transparency in legal proceedings in Mexico and helps assure the integrity of the judicial process.

The following notable events evidence the Government of Mexico's sustained attack on the cartels:

- In October 2007, the GOM seized over 35 metric tons of cocaine. This includes the seizure of 11.7 metric tons of cocaine from a warehouse in Tampico, Veracruz and a world record 23.5 metric ton cocaine seizure in Manzanillo, Colima, based in part on information provided by DEA offices in Mexico.
- In July 2007, the GOM effected a record-breaking money seizure in Mexico City, based in part on information provided by DEA. \$207 million was seized from Zhenli Ye Gon, a pharmaceutical company CEO who facilitated the importation of metric-ton quantities of ephedrine for the Sinaloa cartel's methamphetamine-manufacturing operations.
- In September 2008, the Government of Mexico seized over \$26 million from a high-level member of the Sinaloa Cartel. This individual was subsequently killed on January 21, 2009, by the Mexican military in a confrontation after being detained at a checkpoint near Culiacan, Sinaloa.
- In January 2008, a weapons training facility was seized by the Mexican federal police in Tijuana. The facility housed an armory, repair shop, and shooting range, and was hidden underground, accessible by lifting a sink in a small bathroom of the residence.
- On October 15, 2008, based on investigative assistance provided by DEA, Mexican police seized a warehouse associated with Los Zetas which contained not only five tons of marijuana, but also weaponry and grenades associated with the intimidation attack on the U.S. consulate in Monterrey in early October 2008.
- In November 2008, DEA worked closely with the GOM in their largest-ever weapons seizure in Mexico. The Mexican military in Reynosa, Tamaulipas seized hundreds of assault rifles, pistols, grenades, grenade and rocket launchers, and explosives, along with a half-million rounds of ammunition
- In November 2008, DEA provided information to the GOM that contributed to the arrest of Jaime "Hummer" Gonzalez-Duran, a lieutenant for Gulf Cartel principal Eduardo Costilla-Sanchez and Zeta leader Heriberto Lazcano. The arrest of Hummer represented a significant blow to the command and control structure of the Gulf Cartel's operations in northeast Mexico. Other Gulf Cartel-Zeta arrests – such as that of Daniel Perez-Rojas in Guatemala in early 2008, and

Antonio Galarza only days before the arrest of Hummer and Octavio Almanza Morales, alias El Gori on February 9, 2009 – demonstrate that the Government of Mexico is exerting sustained pressure on the notoriously violent Los Zetas arm of the Gulf Cartel.

- In February 2009, Hummer’s replacement, Hector Saucedo-Gamboa, was killed in a Reynosa firefight.

Furthermore, active indictments – mostly in south Texas – against other high-level as yet un-captured members of the Gulf Cartel/Zetas make them fugitives from justice in the United States. The United States is engaged in bilateral operations with Mexican law enforcement to capture these dangerous criminals.

The quantifiable impact of huge drug, weapons, and money seizures presents an incomplete picture. While more difficult to measure, the enormous psychological impact of high-level arrests and record numbers of extraditions completes the picture. No other action by the Government of Mexico strikes quite so deeply at cartel vulnerabilities than an arrest and extradition. Beginning only weeks after his inauguration, President Calderon began extraditing high-profile criminals to the United States. On January 19, 2007, the same day the Mexican Supreme Court ruled that international treaties would supersede domestic law in the matter of extraditions, President Calderon took the politically courageous step of extraditing 15 individuals to stand trial in the United States, including notorious Gulf Cartel head, Osiel Cardenas-Guillen. Since that day, the Government of Mexico has extradited more than 190 criminals to the United States, including 10 in December 2008 associated with some of the most notorious Mexican drug trafficking organizations – the Gulf Cartel, the Arellano Felix Organization and the Sinaloa Cartel – and most recently, on February 25, 2009, Miguel Angel Caro-Quintero, who assumed control of the family organization after the arrest of his brother Rafael Caro-Quintero, who was complicit in the kidnapping, torture, and murder of DEA Special Agent Enrique Camarena. To date, in this calendar year, with 24 extraditions accomplished, President Calderon’s administration is on pace to exceed last year’s record numbers.

The Gulf Cartel and Zetas are not the only cartel targeted by the Calderon administration. The nearly-decimated Arellano-Felix organization (aka the Tijuana Cartel) experienced its last “nails in the coffin” in 2008: In March 2008, powerful cartel lieutenant Gustavo Rivera was arrested in Baja California Sur, and in November 2008, the last remaining Arellano-Felix brother and original cartel member, Eduardo Arellano-Felix, was arrested after a protracted gun battle with Tijuana SIU agents. The Tijuana Cartel is now badly fractured, and undergoing a violent internal struggle for power between Arellano-Felix relatives (a sister and a nephew) and the Sinaloa Cartel-supported leader-in-fact, Teodoro Garcia-Simental.

The arrest of Alfredo Beltran-Leyva (brother of Kingpin Arturo Beltran-Leyva) in January 2008 was a huge blow to the Sinaloa Cartel. The residual impact of Alfredo’s arrest not only undermined long-term Sinaloa alliances, but resurrected animosities between rival cartel leaders Joaquin “Chapo” Guzman-Loera and Arturo’s new allies –

the Vicente Carrillo-Fuentes organization (Juarez Cartel) and provided the catalyst behind the bloodshed in Mexico's most-violent city: Ciudad Juarez. Arturo Beltran-Leyva, and those loyalists who departed the Sinaloa Cartel with him, have also allied with Los Zetas, causing an escalation of conflict in strongholds shared uneasily by "old" Sinaloa leaders such as Chapo Guzman. Other big-impact arrests include the October 2008 capture of Jesus Reynaldo Zambada-Garcia (brother of Sinaloa "godfather" and principal, Ismael Zambada-Garcia), Jesus Zambada-Reyes (son of Jesus Reynaldo, and nephew of Ismael), their attorney, and 13 other members of the organization.

All these high-impact actions – seizures, arrests and extraditions serve to make one important point: drug traffickers are inherently violent, but desperate, vulnerable drug traffickers operating under unprecedented stress are exceedingly violent.

### **DEA AND INTERAGENCY INITIATIVES ALONG THE SWB**

DEA is an agency with global reach and continues to work vigorously with our law enforcement counterparts in both the United States and Mexico to address the violence through the sharing of intelligence and joint investigations. DEA routinely collects and shares intelligence pertaining to those violent drug trafficking organizations and armed groups operating in and around the Laredo and El Paso/Ciudad Juarez border areas, as well as other "hot spots" along the Southwest Border. Additionally, DEA has the largest U.S. drug law enforcement presence in Mexico with offices in Mexico City, Tijuana, Hermosillo, Ciudad Juarez, Guadalajara, Mazatlan, Merida, and Monterrey, Matamoros, Nuevo Laredo, and Nogales (scheduled to open in July 2009). At the end of FY 2008, DEA had 1,203 authorized Special Agent positions working in domestic offices with responsibilities for the SWB, representing approximately 23 percent of DEA's total authorized Special Agent workforce.

As the lead U.S. law enforcement agency responsible for enforcing the drug laws of the United States, DEA has been at the forefront of U.S. efforts to work with foreign law enforcement counterparts in confronting the organizations that profit from the global drug trade. DEA's remarkable success is due, at least in part, to its single-mission focus. DEA is well positioned to mount a sustained attack on the command and control elements of drug trafficking organizations; however, DEA does not operate in a vacuum. DEA grants Title 21 authority to other federal agents, including Department of Homeland Security's Immigration and Customs Enforcement agents, and state and local law enforcement officers under 21 USC 873 and 878. All deputized officers and cross-designated agents are under the supervision of DEA while involved in Title 21 activities. Title 21 cross-designation and deputization enhances DEA's ability to conduct investigations by allowing the administration to utilize a force multiplier. At the same time, DEA makes certain that clear lines of authority are maintained to ensure effective investigations and agent safety.

Other initiatives that contribute to DEA's effort along the SWB are detailed below:

- The SWB Initiative is a multi-agency, federal law enforcement operation that attacks Mexico-based DTOs operating along the SWB by targeting the communication systems of their command and control centers. The SWB Initiative has been in operation since 1994. As part of a cooperative effort, DEA, the Federal Bureau of Investigation (FBI), U.S. Customs and Border Protection (CBP), and U.S. Attorneys' offices around the country conduct wiretaps that ultimately identify all levels of Mexico or Colombia-based DTOs. This strategy allows tracking of the drugs as they flow from Colombia or Mexico to the streets of the United States.
- *Operation Black Flag (OBF)* is a DEA Special Field Intelligence Program (SFIP) initiated in April 2008 due to the escalation of drug-related violence among major Mexican cartels along the U.S. and Mexico border. The main goal of the program is to track and report actionable intelligence regarding the capability and likelihood of these Mexican drug cartels to execute violent acts over the SWB into the United States. OBF intelligence is collected from United States and Mexican law enforcement agencies through the use of confidential sources, ongoing investigative reporting, and active T-III intercepts. The program gathers intelligence according to Priority Intelligence Requirements (PIRs) approved by the El Paso, Houston, San Diego, and Phoenix Field Divisions.
- Organized Crime Drug Enforcement Task Force – The OCDETF program was initiated in 1982 to combine federal, state, and local law enforcement efforts into a comprehensive attack against organized crime and drug traffickers. DEA is an active component of the OCDETF program, including OCDETF Strike Forces. OCDETF Strike Forces collaborate with the Southwest Border High Intensity Drug Trafficking Area (HIDTA) regional task forces in Arizona, California, New Mexico, West Texas and South Texas. Southwest Border HIDTA Task Forces represent Federal/State/and local partnerships that target Mexican drug cartels and their smuggling and transportation networks, which spawn cartel violence along the Border. HIDTA Task Forces have had enormous success dismantling major Mexican drug trafficking organizations linked to Mexico-based cartels.
- DEA is a member of the Border Enforcement Security Task Force (BEST), an Immigration and Customs Enforcement (ICE)-led initiative designed to increase the flow of information between participating agencies regarding violent criminal organizations and gangs operating in and around Laredo, Texas. In addition, BEST targets human and violent drug smuggling organizations that fuel violence in that area. BEST commenced in July 2005; DEA's participation began on May 3, 2006. Other participants include the U.S. Customs and Border Protection (CBP), Alcohol Tobacco and Firearms (ATF), U.S. Marshal Service (USMS), U.S. Attorney's Office, Laredo, Texas Police Department, Texas Department of Public Safety (DPS), and Mexico's Federal Preventive Police (PFP).
- DEA's Drug Flow Attack Strategy (DFAS) is an innovative, multi-agency strategy, designed to disrupt significantly the flow of drugs, money, and chemicals between the

source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major drug trafficking organizations. DFAS calls for aggressive, well-planned and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones. Operation All-inclusive (OAI) is the primary DFAS enforcement operation in the source and transit zones. Iterations of OAI have been staged annually since 2005.

- Operation Doble Via, the domestic component of OAI, was conducted between April and September 2007 to disrupt the flow of drugs, chemicals, and money across the SWB. Operation Doble Via took place on both sides of the border and the main participants were DEA, U.S. Customs and Border Protection (CBP), the Texas Department of Safety (DPS), and several Mexican agencies including the Federal Investigative Agency (AFI), the Federal Preventive Police (PFP), the military, and the Deputy Attorney General's Office of Special Investigations in Organized Crime (SIEDO).
- EPIC is a national tactical intelligence center that focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with a significant emphasis on the Southwest Border. Through its 24-hour Watch function, EPIC provides immediate access to participating agencies' databases to law enforcement agents, investigators, and analysts. This function is critical in the dissemination of relevant information in support of tactical and investigative activities, deconfliction, and officer safety. EPIC also provides significant, direct tactical intelligence support to state and local law enforcement agencies, especially in the areas of clandestine laboratory investigations and highway interdiction efforts.
  - EPIC's *Gatekeeper Project* is a comprehensive, multi-source assessment of trafficking organizations involved in and controlling movement of illegal contraband through "entry corridors" along the SWB. The analysis of Gatekeeper organizations not only provides a better understanding of command and control, organizational structure, and methods of operations, but also serves as a guide for policymakers to initiate enforcement operations and prioritize operations by U.S. anti-drug elements. Numerous Gatekeepers have direct links to Priority Target Organizations (PTO) and/or Consolidated Priority Organization Targets (CPOT).
  - Implementation of License Plate Readers (LPR) along the SWB has provided a surveillance method that uses optical character recognition on images that read vehicle license plates. The purpose of the LPR Initiative is to combine existing DEA and other law enforcement database capabilities with new technology to identify and interdict conveyances being utilized to transport bulk cash, drugs, weapons, as well as other illegal contraband. Almost 100 percent of the effort and cost associated with monitoring southbound traffic is directed at the identification, seizure, and forfeiture of bulk cash and weapons, while the effort and cost

of monitoring northbound traffic is both enforcement and forfeiture-related, in that suspect conveyances can be identified for later southbound monitoring. All of DEA can query and input alerts on license plates via an existing DEA database, and other law enforcement agencies can do the same via the EPIC.

- DEA's Special Operations Division's (SOD) mission is to establish seamless law enforcement strategies and operations aimed at dismantling national and international trafficking organizations by attacking their command and control communications. SOD is able to facilitate coordination and communication among DEA divisions with overlapping investigations and ensure tactical and strategic intelligence is shared between DEA and SOD's participating agencies.
  - Project Reckoning and Operation Xcellerator are recent examples of this U.S.-Mexico collaboration. Project Reckoning was a 15-month operation targeting the Gulf Cartel and remains one of the largest, most successful joint law enforcement efforts ever undertaken between the United States and Mexico. Because of intelligence and evidence derived from Project Reckoning, during 2008 the United States was able to secure indictments against the Gulf Cartel "triumvirate" of Ezekiel Antonio Cardenas-Guillen (brother of extradited Kingpin Osiel Cardenas-Guillen), Eduardo Costilla-Sanchez, and Heriberto Lazcano-Lazcano, head of Los Zetas. Project Reckoning resulted in over 600 arrests in the U.S. and Mexico, including 175 active Gulf Cartel/Los Zetas members, thousands of pounds of methamphetamine, tens of thousands of pounds of marijuana, nearly 20,000 kilograms of cocaine, hundreds of weapons, and \$71 million in seized currency. Operation Xcellerator began in May 2007 from an investigation in Imperial County, California and targeted the Sinaloa Cartel. Operation Xcellerator was recently concluded and resulted in over 750 arrests, drug seizures running to the tens of thousands of pounds, aircraft and maritime vessel seizures, and over \$59 million in seized currency. While these operations are intended to break the power and impunity of the cartels, in the short term they also exacerbate the violence in Mexico.
- OCDETF Fusion Center (OFC) primarily provides investigative/operational intelligence support to OCDETF investigations through the development of organizational target profiles and the development of specific investigative leads. These leads and intelligence products are disseminated to the appropriate field elements of the OCDETF agencies through SOD. Intelligence and leads relating to other criminal activities, including terrorism, are disseminated through SOD to the appropriate agencies.

## **CONCLUSION**

The daily challenges posed by drug trafficking organizations in the United States and Mexico are significant, but are overshadowed of late by a very specific set of challenges: ensuring that the rampant violence in Mexico does not spill over our border; closely

monitoring the security situation in Mexico; and, perhaps most importantly, lending our assistance and support to the Calderon Administration to ensure its continued success against the ruthless and powerful cartels. The Government of Mexico has realized enormous gains in re-establishing the rule of law in Mexico, and in breaking the power and impunity of the drug trafficking organizations who threaten their own, and our, national security. The Calderon administration's gains translate to an unparalleled positive impact on the U.S. drug market as well: from January 2007 through December 2008, the price per gram of cocaine increased 104.5% from \$97.62 to \$199.60 while the purity decreased 34.8% from 67% to 44%. These statistics paint a clear picture of restricted drug flow into the United States and decreased availability. While spikes – upward or downward – in price and purity have been observed in the past, these indicators typically normalized within a few months. Unlike in the past, we are now in the midst of a sustained, two-year period of escalating prices and decreasing purity. Anecdotal evidence from around the country and closer to home here in the District of Columbia, including intercepted communications of the traffickers themselves, corroborates the fact that President Calderon's efforts are making it more difficult for traffickers to supply the U.S. market with illicit drugs.

The DEA recognizes that interagency and international collaboration and coordination is fundamental to our success. It is imperative that we sustain the positive momentum by supporting President Calderon's heroic efforts against organized crime. We must also manage expectations, as we anticipate that the gruesome violence in Mexico may get worse before it gets better. We must recognize that we are witnessing acts of true desperation: the actions of wounded, vulnerable and dangerous criminal organizations. We remain committed to working with our U.S. law enforcement and intelligence partners as well, to stem the flow of bulk cash and weapons south, while also working to sustain the disruption of drug transportation routes northward. Bringing to the criminal and civil justice system of the United States, or any other competent jurisdiction, those organizations and principal members of organizations involved in the cultivation, manufacture, and distribution of controlled substances appearing in or destined for illicit trafficking in the United States remains the core of our focus.

Thank you for the opportunity to appear before you today to discuss this important issue. I will be happy to answer any questions that you may have.