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FIREARMS TRAFFICKING

U.S. Efforts to Combat Arms Trafficking to Mexico Face Planning and Coordination Challenges

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss U.S. efforts to combat illicit arms trafficking to Mexico. This testimony is based on a GAO report, GAO-09-709, that we are releasing today. In recent years, violence along the U.S.-Mexico border has escalated dramatically as the administration of President Felipe Calderon has sought to combat the growing power of Mexican drug trafficking organizations (DTO) and curb their ability to operate with impunity in certain areas of Mexico. As illicitly trafficked firearms have fueled the drug trafficking violence,[1] Mexican officials have come to regard illicit firearms as the number one crime problem affecting the country's security. According to the Department of Justice's (DOJ) *2009 National Drug Threat Assessment*, Mexican DTOs represent the greatest organized crime threat to the United States, controlling drug distribution in many U.S. cities, and gaining strength in markets they do not yet control (see fig. 1). In particular, law enforcement reporting indicates Mexican DTOs maintain drug distribution networks or supply drugs to distributors in at least 230 U.S. cities.

[1]According to U.S. and Mexican government officials, including the Government of Mexico Attorney General's Office, Mexican law prohibits the commercial sale or purchase of a firearm; all firearm sales must go through the Government of Mexico. Officials told us that the application and sales process takes a long time and that the types of firearms that Mexican citizens are allowed to possess are limited to smaller caliber pistols and rifles.

Figure 1: U.S. Cities Reporting the Presence of Mexican DTOs, January 1, 2006, through April 8, 2008

Sources: GAO analysis of DOJ's National Drug Threat Assessment 2009; Map Resources (map).

President Obama has expressed concern about the increased level of violence along the border, particularly in Ciudad Juarez and Tijuana, and, in March 2009, the Department of Homeland Security (DHS) announced it planned to increase resources on the U.S.-Mexico border, including more personnel and greater use of available technologies.

Today I will discuss (1) what data are available on the types, sources, and users of these arms; (2) key challenges that confront U.S. government efforts to combat illicit sales of firearms in the United States and to stem the flow of these arms across the Southwest border into Mexico;

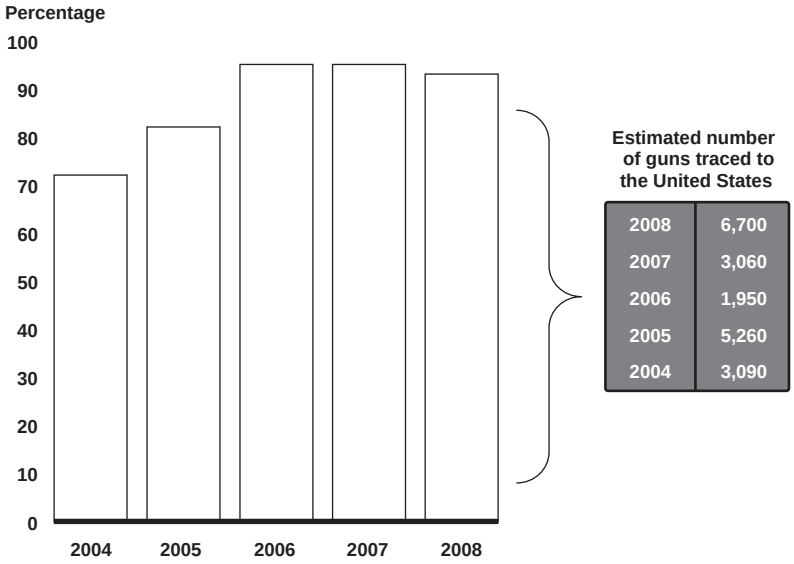
(3) challenges faced by U.S. agencies collaborating with Mexican authorities to combat the problem of illicit arms; and (4) the U.S. government's strategy for addressing the issue.

Over the course of our work on this issue, we reviewed and analyzed program and project status reports, and related information, and met with officials from the DOJ's Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and DHS's Immigration and Customs Enforcement (ICE), which are the two primary agencies combating illicit sales and trafficking of firearms across the Southwest border. We also met with officials from other agencies supporting these efforts. We visited and met with officials from three major Southwest border cities and their Mexican counterpart cities to explore the challenges faced by law enforcement officials to stem the flow of arms smuggling across the border, and traveled to Mexico to meet with U.S. and Mexican government officials working on this issue. We also reviewed data on firearms seized at the Southwest border and recovered in Mexico over the last 5 years, as well as data on firearms traced; investigations; inspections; and firearms trafficking cases. We determined the data provided to us by various U.S. agencies on these topics were sufficiently reliable to provide an overall indication of the magnitude and nature of the illicit firearms trade. We conducted this performance audit from July 2008 to June 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In brief, Mr. Chairman, we found that U.S. efforts to combat the illicit trafficking of firearms to Mexico face several challenges, particularly relating to the planning and coordination of these efforts.

Available evidence indicates a large proportion of the firearms fueling Mexican drug violence originated in the United States, including a growing number of increasingly lethal weapons. While it is impossible to know how many firearms are illegally trafficked into Mexico in a given year, over 20,000, or around 87 percent, of firearms seized by Mexican authorities and traced over the past 5 years originated in the United States, according to data from ATF (see fig. 2). Over 90 percent of the firearms seized in Mexico and traced over the last 3 years have come from the United States.

Figure 2: Percentages of Firearms Seized in Mexico and Traced in Fiscal Years 2004-2008 That Originated in the United States



Source: GAO analysis of ATF data.

Around 68 percent of these firearms were manufactured in the United States, and around 19 percent were manufactured in third countries and imported into the United States before being trafficked into Mexico. According to U.S. and Mexican government officials, these firearms have been increasingly more powerful and lethal in recent years. For example, many of these firearms are high-caliber and high-powered, such as AK and AR-15 type semiautomatic rifles. Many of these firearms come from gun shops and gun shows in Southwest border states, such as Texas, California, and Arizona, according to ATF officials and trace data. U.S. and Mexican government and law enforcement officials stated most guns trafficked to Mexico are intended to support operations of Mexican drug trafficking organizations, which are also responsible for trafficking arms to Mexico.

The U.S. government faces several significant challenges to its efforts to combat illicit sales of firearms in the United States and to stem the flow of these arms across the Southwest border into Mexico. First, certain provisions of some federal firearms laws present challenges to U.S. efforts, according to ATF officials. Specifically, officials identified key challenges related to (1) restrictions on collecting and reporting information on firearms purchases, (2) a lack of required background checks for private firearms sales, and (3) limitations on reporting requirements for multiple

sales. Another challenge we found is ATF and ICE, the primary agencies implementing efforts to address this issue, do not consistently coordinate their efforts effectively, in part because the agencies lack clear roles and responsibilities and have been operating under an outdated interagency agreement. This has resulted in some instances of duplicate initiatives and confusion during operations. Additionally, we found agencies lack systematic analysis and reporting of aggregate data related to arms trafficking, and they were also unable to provide complete information to us on the results of their efforts to seize firearms destined for Mexico and to investigate and prosecute cases. This type of information could be useful to better understand the nature of the problem, to help plan ways to address it, and to assess progress made.

U.S. law enforcement agencies and the Department of State (State) have provided some assistance to Mexican counterparts in combating arms trafficking, but these efforts face several key challenges. U.S. law enforcement agencies have built working relationships with Mexican federal, state, and local law enforcement, as well as the Mexican military. This has given the United States the opportunity to provide Mexican government counterparts with some technical and operational assistance on firearms trafficking. However, U.S. assistance has been hampered by a number of factors. In particular, U.S. law enforcement assistance has been limited and, furthermore, it has not targeted arms trafficking needs. For example, although the Merida Initiative—a U.S. interagency response to transborder crime and security issues affecting the United States, Mexico, and Central America—provides general law enforcement and counternarcotics assistance to Mexico, it does not provide dedicated funding to address the issue of arms trafficking. A number of efforts officials told us could be helpful in combating arms trafficking—such as establishing and supporting a bilateral, multiagency arms trafficking task force— have not been undertaken. In addition, U.S. assistance has been limited due to Mexican government officials' incomplete use to date of ATF's electronic firearms tracing system, known as eTrace, which is an important tool for U.S. arms trafficking investigations in the United States. The ability of Mexican officials to input data into eTrace has been hampered partly because a Spanish language version of eTrace under development for months has still not been deployed across Mexico. Another significant challenge facing the United States in its efforts to assist Mexico is the concern about corruption among some Mexican government entities. Despite President Calderon's efforts to combat organized crime, extensive corruption at the federal, state, and local levels of Mexican law enforcement impedes U.S. efforts to develop effective and dependable partnerships with Mexican government entities in combating

arms trafficking. Mexican federal authorities are implementing anticorruption measures—including polygraph and psychological testing, background checks, and salary increases— but government officials acknowledge fully implementing these reforms will take considerable time and may take years to affect comprehensive change.

On June 5, 2009, the Office of National Drug Control Policy (ONDCP) released its 2009 National Southwest Border Counternarcotics Strategy, which, for the first time, includes a chapter on combating illicit arms trafficking to Mexico. Prior to the new strategy, the U.S. government did not have a strategy that explicitly addressed arms trafficking to Mexico. In the absence of a strategy, individual U.S. agencies have undertaken a variety of activities and projects to combat arms trafficking to Mexico. While these individual agency efforts may serve to combat arms trafficking to Mexico to some degree, they were not part of a comprehensive U.S. governmentwide strategy for addressing the problem. GAO has identified several key elements that should be a part of any strategy, including identifying objectives and funding targeted to meet these objectives, clear roles and responsibilities, and mechanisms to ensure coordination and assess results. We reviewed a copy of the new National Southwest Border Counternarcotics Strategy, which ONDCP officials told us will serve as the basic framework, with an "implementation plan" to follow in late summer of 2009. ONDCP officials told us that this implementation plan for the strategy will provide detailed guidance to the responsible agencies and have some performance measures for each objective. At this point, it is not clear whether the implementation plan will include performance indicators and other accountability mechanisms to overcome shortcomings raised in our report. In addition, in March 2009, the Secretary of Homeland Security announced a new DHS Southwest border security effort to significantly increase DHS presence and efforts along the Southwest border, including conducting more southbound inspections at ports of entry, among other efforts. However, it is unclear whether the new resources that the administration has recently devoted to the Southwest border will be tied to the new strategy and implementation plan.

Recommendations for Executive Action

To ensure that relevant agencies are better focused on combating illicit arms trafficking to Mexico, we are making several recommendations, including that

- the U.S. Attorney General prepare a report to Congress on approaches to address the challenges law enforcement officials raised regarding constraints on the collection of data that inhibit their ability to conduct timely investigations;
- the U.S. Attorney General and the Secretary of Homeland Security finalize the Memorandum of Understanding between ATF and ICE, and develop processes for periodically monitoring its implementation;
- the U.S. Attorney General and the Secretary of Homeland Security take several steps to ensure improved data gathering and reporting by ATF and ICE to help identify where efforts should be targeted;
- the U.S. Attorney General and the Secretary of State work with the Government of Mexico to expedite the dissemination of eTrace in Spanish to relevant Government of Mexico officials, provide these officials proper training on the use of eTrace, and ensure more complete input of information on seized arms into eTrace; and
- ONDCP ensures its implementation plan for the arms trafficking chapter of the 2009 National Southwest Border Counternarcotics Strategy includes the key elements we have identified that should be a part of any strategy, which were outlined earlier in this testimony.

Agency Comments and Our Evaluation

DHS and State commented on a draft of our report and generally agreed with our findings and recommendations. DOJ and ONDCP did not comment on our recommendations.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions you or other Members of the Subcommittee may have at this time.

GAO Contact and Staff Acknowledgments

For questions regarding this testimony, please contact Jess T. Ford (202) 512-4268 or fordj@gao.gov. Individuals making key contributions to this testimony include Juan Gobel (Assistant Director), Joe Carney, Virginia Chanley, Matthew Harris, Elisabeth Helmer, Grace Lui, and J. Addison Ricks. Technical assistance was provided by Joyce Evans, Jena Sinkfield, and Cynthia Taylor. Contact points for our offices of Congressional Relations and Public Affairs may be found on the last page of this testimony.

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