

**MERIDA PART TWO: INSURGENCY AND
TERRORISM IN MEXICO**

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

AND THE

SUBCOMMITTEE ON OVERSIGHT,
INVESTIGATIONS, AND MANAGEMENT

OF THE

COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES

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MERIDA PART TWO: INSURGENCY AND TERRORISM IN MEXICO

TUESDAY, OCTOBER 4, 2011

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON FOREIGN AFFAIRS, AND THE
SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS,
AND MANAGEMENT,
COMMITTEE ON HOMELAND SECURITY
Washington, DC.

The committees met, pursuant to notice, at 2 o'clock p.m., in room 2172 Rayburn House Office Building, Hon. Connie Mack [chairman of the Subcommittee on the Western Hemisphere] presiding.

Mr. MACK. The committee will come to order.

I'd first like to start by asking unanimous consent that the gentleman from Texas, Mr. Cuellar, be allowed to sit in today's hearing. Without objection, so ordered.

That was a close call, Mr. Cuellar. That was a close call.

I first want to thank everyone, especially our witnesses, for joining us today. After recognizing myself and the ranking member, Mr. Engel, for 5 minutes each for our opening statements, Chairman McCaul and Ranking Member Keating for 5 minutes each for their opening statement, we will proceed directly to hearing testimony from our distinguished witnesses. The full text of their written statements will be inserted into the record. Without objection, members may have 5 days to submit statements and questions for the record.

After we hear from our witnesses, individual members will be recognized for 5 minutes each for questions.

And I now recognize myself 5 minutes for my opening statement.

Two weeks ago, four expert witnesses testified in this hearing room. Two experts explained that an insurgency is raging along our southern border. The other two focused on the fact that violence and crime in Mexico has taken a unique turn and the U.S. response has not followed. All agree that the situation has evolved and fragmented into violent criminal control over parts of Mexico.

It is clear that today Mexico represents a unique situation requiring the development of its own specific classification to successfully combat the authority of this expanding criminal control. Today I will continue to make the case that Mexico is facing a criminal insurgency.

The attack on the state are clear. The criminal organizations are capturing the allegiance of the population through economic and

social programs and as they undermine institutions, they have no desire to replace them. This makes the insurgency in Mexico more of a threat to democratic governance than we have seen in any other insurgency scenarios. Furthermore, these transnational criminal organizations are employing increasingly gruesome terrorist tactics to carry out their threats.

The potential threat of criminal organizations controlling our southern border creates grave national security and economic implications for the United States. That is why in 2007 the United States began funding the Merida Initiative to improve the situation in Mexico. Unfortunately, we face more extreme threats and violence from our border region today than we did 4 years ago.

The Merida Initiative has been successful in two areas: First, establishing deeper cooperation between the United States and Mexico, and that is clear; and two, removing major drug kingpins in accordance with the goals of the Mexican Government.

Unfortunately, the game has changed. The reality in Mexico is that U.S. assistance has lagged while the traditional cartels evolve into diversified transnational criminal organizations perpetrating insurgent tactics to protect their assets.

After 4 years of the Merida Initiative our border region with Mexico is more violent today than it was 4 years ago. A reduction in violence, while maintaining a full attack on the criminal organizations and strengthening the institutions to prosecute and punish them, is required in order to regain control. This is the basis of the counterinsurgency strategy that I outlined in the prior hearing.

The United States should support a targeted yet comprehensive strategy that works with Mexico to secure one key population center at a time in order to build and support vital infrastructure and social development for lasting results. The counterinsurgency measures must include: (1) An all-U.S. agency plan including the Treasury Department, Department of Justice, CIA, U.S. Immigration and Customs Enforcement, the State Department and others to aggressively attack and dismantle the criminal networks in the U.S. and Mexico; (2) once and for all we must secure the border between the United States and Mexico by doubling Border Patrol agents, fulling funding and delivering on the needed border protection equipment such as additional unmanned aerial vehicles and the completion of a double layered security fence in urban hard to enforce areas of the border; and (3) we must take key steps to ensure local populations support the government and the rule of law over the cartels such as by promoting culture of lawfulness programs.

As I stated before, the current U.S. policy with Mexico does not seriously address the national security challenges we face. It is time that we recognize the need for a counterinsurgency strategy that can combat the evolution and resilience of Mexico's transnational criminal organizations. This is a severe threat and requires a serious response.

I look forward to hearing from our experts from the Department of Homeland Security, the Department of Justice represented by the DEA and the State Department on how the situation on the ground has evolved, the impact on U.S. personnel and their activities and tactical ways to squash this criminal insurgency.

I now would like to recognize Mr. Keating for 5 minutes for an opening statement.

Mr. KEATING. Thank you, Mr. Chairman. And thank you for holding today's subcommittee. As a member of both the House Committees on Foreign Affairs and Homeland Security, I appreciate the opportunity to jointly examine this very important topic. Our combined presence indicates the extent to which we take the security of our southern border seriously, and I look forward to continuing to work with the Western Hemisphere Subcommittee on this topic.

Mr. Chairman, we are here today to examine the progress of the Merida Initiative and how effective it has been in halting in full violence related to criminal activities and Mexican drug trafficking organizations, also known as DTOs, in moving illegal drugs and weapons across the southwest border.

That being said, the brutality of these DTOs overshadowed a number of facts that are relevant to our discussion today. As we seek tangible solutions to the increasingly levels of violence in Mexico, let us remember that those responsible, particularly for violence against women, are not distinctive and the Mexican military is not always impartial. Yes, Mexico is an ally but we cannot paint the battle between the drug cartels and Mexican law enforcement in black and white.

With minimum controls for corruption and impunity in Mexico it's difficult to decipher who exactly is committing the crimes. In two widely published cases cited by the Robert F. Kennedy Center for Justice and Human Rights, Ines Fernández Ortega and Valentina Rosendo Cantos, two indigenous women were raped by soldiers from the Mexican Army in the municipality of Xalitla Guerrero State in 2002. However, to this day the State has refused to admit that these two women were raped. After nearly a decade, these cases were finally transferred to civilian courts, but these two cases are not insulated instances in the violence perpetrated by the military.

The National Human Rights Commission says its received more than 5,000 complaints about the alleged abuses by the military since the offensive against the drug gangs began in 2006.

I note this not to discredit our ally, President Calderón or the Merida Initiative, since both of them have led reform in the Mexican judicial system. But I want to for the purposes of this hearing as well, go into this hearing with a complete picture of what's happening on the ground in Mexico and what President Calderón is up against.

At a time when we're all tightening our belts, we must monitor funding for the Mexican police and military closely, lest we add suffering to the innocent people who unfortunately have nowhere to turn. For this reason I strongly support the training assistance that we provide the Mexican military and police along with strong oversight mechanisms. The U.S. and Mexico have made strides in developing strong working relationships with diplomatic levels down to field agents patrolling both sides of the southwest border. At present more than 17,500 Border Patrol agents, 1,200 National Guardsmen are cleared for deployment along the border and over

250 Immigration and Customs Enforcement special agents, ICE agents, are assigned to securing the border.

Certainly this does not mean that incursions along the border do not exist, and undoubtedly more work has to be done. However, this is the highest number of personnel to ever protect our border in this region, and these numbers represent a step in the right direction. In fact, more effort and resources are deployed along the southwest border today than ever before.

By the end of Fiscal Year 2011, according to the State Department, the U.S. will have invested almost \$900 million in equipment and training to advance the Merida Initiative and to assist our neighbor south of the border. Since Fiscal Year 2008 the U.S. has contributed approximately \$1.6 billion overall to the Initiative, while Mexico has allocated \$26 billion to promote public safety and security within its own borders.

Furthermore, a new effort is being implemented to strike the Mexican civil society institutions by offering training and technical assistance.

I hope that the advances in the Merida Initiative are followed along with efforts to strengthen our borders as opposed to making them more vulnerable with strangled budget cuts. Although we need to be incredibly weary of the money that goes into the Mexican Government, this is not the time to decrease the number of Border Patrol agents and thus have the effect of making the southwest border less safe. I urge all of my colleagues, on both sides of the aisle, to stand against such cuts.

I look forward to this afternoon's testimony. Real progress has been made since the inception of the Merida Initiative and I am interested in hearing about the documented results of Americans participation in this program, which with proper oversight can lead to real success. It's vital that we, as Congress, work closely with our diplomatic and Federal agency personnel to ensure that they have the resources they require to continue partnering with Mexico to fulfill the goals of the Merida Initiative while combating crime and injustice on all side.

I yield back.

Mr. MACK. Thank you. I thank the gentleman.

And now I would like to recognize the chairman Mike McCaul for his opening statement.

Mr. MCCAUL. Thank you, Chairman Mack, for agreeing to hold this important joint hearing on a very important issue facing our neighbor and friend to the south, that is Mexico, and even beyond Mexico to the region of Central America.

And I also want to thank Ranking Members Keating and Engel for participating as well.

Over the past 5 years, more than 40,000 men, women and children have been brutally murdered by insurgents including 12 mayors, a gubernatorial candidate, U.S. citizens and law enforcement officers. Local governments are harassed and intimidated while the bodies of those who stand up against these terrorists are hung from bridges and tossed into the streets. I'm not speaking about al-Qaeda or the Taliban. I'm describing the acts of the Mexican drug cartels.

Mexico's President Felipe Calderón declared war on the drug cartels when he took office in 2006. He described the violence in his country as a "challenge to the state, an attempt to replace the state." And in response to the recent Casino Royale fire in Monterrey claiming 53 lives, he said, "We are facing true terrorists."

In 2008 the United States launched the Merida Initiative to assist Mexico in its war against the drug cartels. Over \$1.5 billion has been appropriated, but to date only a third of it, I am sure the witnesses will tell me more now, has been delivered. According to reports issued by the GAO, the Merida Initiative lacks the central goals, performance measures and accountability. This raises serious issues: What is our strategy and plan to help Mexico win this war? Is it now time to move beyond Merida? And what do the Federal agencies need from Congress to accomplish this mission that we all agree is so vital, not only to Mexico's national security but to ours?

The United States efforts need to be reexamined. We are under resourced along our border with Mexico. There have been threats and attempts to kill U.S. citizens and Federal and state law enforcement officials.

As a Member of Congress, I have had the privilege to travel and meet with our troops in Iraq and Afghanistan. But during one visit to the El Paso Intelligence Center I requested to go into Juarez. I was told by the State Department they could not guarantee my safety. Six thousand people have been killed in Juarez alone. Earlier this year I did visit Juarez, but we were given the same security measures that we were given in Iraq, Afghanistan and Pakistan.

The cartels have not only breached our border but are now creating narco safe havens across the border, including in my home state of Texas. This is the conclusion of a recent report by Generals Barry McCaffrey and Robert Scales. And they also say that the cartels are using prisons and recruitment centers and cities in the United States for their drug operations. Both of these generals will testify before my subcommittee next week.

Additionally, a very recent report from the Department of Justice reveal that the drug cartels operate in more than 1,000 across the United States. One thousand cities. They control distribution of the most heroin, marijuana, methamphetamines and other narcotics. These terrorists both in Mexico and the United States are a threat to national security and should be treated as such.

I introduced legislation requiring the State Department to classify drug cartels as foreign terrorist organizations, similar to what President Clinton to the FARC in Colombia. This would limit the groups financial and property and travel interests, and prosecute individuals who provide them any assistance. The legislation must also be tied to fighting the cartels both here and abroad using every means available.

The drug cartels do intimidate and coerce the civilian population. They do effect the conduct of the Mexican Government and they threaten the national security of the United States. If you look at the Black Law definition and also under Federal law, this is the very essence of terrorism. There is a real war happening along our

border and the enemy is covertly infiltrating our cities. We must take this threat seriously and take decisive action.

In closing, I wanted to point to two more events. Just recently during rush hour the Gulf Cartel dumped two truckloads of 35 bodies at a busy intersection in the coastal city of Veracruz, and most disturbingly five severed heads were stuffed in a sack and placed outside a primary school in Acapulco, after the DTO threatened to attack elementary school teachers if they did not pay half their wages to the drug cartels.

I submit to you, Mr. Chairman, that they are terrorizing the population. I submit to you that these drug cartels are terrorizing the school and the children and those schools.

And with that, I yield back.

Mr. MACK. Thank you very much, Chairman McCaul.

And I would like now to turn to Mr. Engel for his opening statement.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

This is the second in an important series of hearings on the Merida Initiative and in the situation in Mexico.

Let me first say I welcome all the witnesses here, especially my friend Bill Brownfield who has been doing such wonderful work. And it's good to see all three of you. Very respected. I am happy that you are all here.

I want to commend Chairman Mack for taking the opportunity to conduct oversight on this key priority for U.S. foreign and domestic policy. I am very happy to be here today.

There is no more important relationship for the United States and Latin America than the one we have with Mexico. We share a border almost 2,000 miles long, a rich and intertwined history, deep cultural connections and economies which are now interwoven and mutually dependent: Yet today's serious challenges and problems extend to both sides of the border.

In the last several years the drug trade, which had once been the domain mostly of the andine nations has moved north. It has taken hold in Mexico and severely damaged the northern parts of Central America. As I stated in the first of these hearings, I want it to be clear that the United States stands with our friends to the south in the fight against narco trafficking.

Mr. Chairman, I am as disturbed as you by the horrors carried out by the drug trafficking organizations in Mexico. They are brutal criminals who prey on the narcotics abuse of people in the U.S. while ravaging communities in Mexico and elsewhere. We are in complete agreement that their actions are dangerous, illegal, and hideous.

I do not want to have a semantical discussion. I am not sure if we could exactly call them insurgents in terrorism. I am not sure that actually describes what is going on in Mexico. DoD defines insurgency as an organized movement aimed at the overthrow of a constituted government through use of subversion and armed conflict. DoD defines terrorism as the calculated use of unlawful violence or threat of unlawful violence to inculcate fear intended to coerce or to intimidate governments or societies in the pursuant of goals that are generally political, religious or ideological.

The drug gangs I do not believe have political, religious or ideological goals. They are criminals trying to make money to peddle their illicit narcotics. It is not exactly terrorism and not exactly insurgency but it do not make it any less awful. We in the United States, obviously, have a real stake in trying to get at them and trying to defeat them. I think Mr. McCaul's examples of what we have seen that these people are capable of is something that we, in the United States, obviously have a very important stake in.

When I mentioned before about the definition of terrorism, because I am concerned that if we were to put these groups on the terrorist lists with the gun dealer who provides them weapons, the drug abuser who buys the drugs or the banks which loaned them the money would be prosecutable under terrorism laws; it is unclear. But at the very heart I think the possibility of adding these DTOs to the terrorism lists raises serious questions that we need to explore in this hearing. It does not mean that we have to go after them any less, in fact we need to do everything we can. I raise this because I just think it is important before we jump and call them terrorists or insurgents, I think we need to be careful.

Among the other questions that I would like our witnesses to discuss today are: (1) whether we are doing enough at home to reduce demand for drugs. I've said many, many times when I chaired this committee and as ranking member that if we did not use the drugs, there would not be a need for these people to do what they do; (2) how can we slow the illicit flow of weapons into Mexico? I think we should discuss that today; (3) is the Merida Initiative moving fast enough? We have had a problem with that in the past. I think that is important to concentrate on; (4) and finally, how are U.S. authorities coordinating on the border with Mexican authorities?

So, Mr. Chairman, I am very happy that we are having this hearing. I think that these issues are very important. I think our goals are identical. We need to see these criminals and these thugs brought to justice. We need to stop it. And we have a stake in it just as much as Mexico does.

And I yield back.

Mr. MACK. Thank you, Mr. Engel.

And I now would like to introduce our witnesses.

First, The Honorable William R. Brownfield. Ambassador Brownfield is the Assistant Secretary for the Bureau of International Narcotics and Law Enforcement Affairs. Prior to this appointment, Mr. Brownfield served as U.S. Ambassador to Colombia from August 2007 until August 2010. Before serving in Colombia, Ambassador Brownfield served as U.S. Ambassador to Venezuela and Chile. Welcome and thank you so much for being here today.

Second, Mr. Rodney G. Benson. Mr. Benson is the Assistant Administrator of Intelligence for the Drug Enforcement Administration. Prior to his appointment, Mr. Benson served as a Special Agent in charge of the Atlanta Field Division where he directed and lead Federal drug enforcement operations throughout the state of Georgia, North Carolina, and Tennessee. Additionally, Mr. Benson served as Special Agent in charge of the Seattle Field Division.

And third is Ms. Mariko, did I say that right? Mariko Silver. Ms. Silver is the Acting Assistant Secretary for International Policy of the U.S. Department of Homeland Security. Prior to her appoint-

ment Ms. Silver served as policy advisor for Innovation and Higher Education and Economic Development to then Governor Janet Neapolitan in the State of Arizona. Before joining the Governor's office, Ms. Silver served as Special Advisor to the President and Director of Strategic Project for the Office of the President at Arizona State University.

Thank you all very much for being here.

I now would like to turn to Ambassador Brownfield and recognize him for 5 minutes.

Mr. Brownfield, thank you.

**STATEMENT OF THE HONORABLE WILLIAM R. BROWNFIELD,
ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NAR-
COTICS AND LAW ENFORCEMENT AFFAIRS, U.S DEPART-
MENT OF STATE**

Ambassador BROWNFIELD. Thank you, Mr. Chairman, Mr. Chairman, Ranking Members, members of the Foreign Affairs and Homeland Security Committees. Thank you for the opportunity to appear before you today.

I have a written statement for the record which I have submitted and would like to offer a brief oral summary.

Mr. Chairman, I do not intend to spend your time describing the origin, history and purpose of the Merida Initiative. You know them better than I do. I will say that this has been more of a partnership between two governments than a traditional foreign assistance program. The Congress has been generous in funding it, and the Merida Initiative has delivered some concrete successes over the past 4 years.

Since 2009, more than 33 high level cartel leaders have been removed or arrested. This compares with one in the preceding 6 years.

Thanks to the Merida Initiative, the Mexican Government now has 14 additional helicopters, hundreds of sophisticated non-intrusive inspection suites of equipment, more than 150 K-9 teams, more than 52 Mexican police and prosecutors have received some professional training under the Merida Initiative. By the end of this year, we will have delivered more than \$900 million worth of equipment and training to Mexico with more than \$500 million delivered this year alone.

There is no doubt in my mind, ladies and gentlemen, that the United States is better and safer today thanks to our support for the Merida Initiative. But, ladies and gentlemen, Merida is in transition. Where we once focused on delivering equipment and goods, we now focus more on providing specialized training. For 4 years we concentrated on building strong Federal institutions. We now concentrate more on state and municipal institutions. And we will initially focus our support in northern Mexico where the violence is greatest and where we have shared border security interests.

Mr. Chairman, the Merida Initiative was not engraved in stone. It is a living strategy that is modified, adjusted and corrected as circumstances change on the ground and we learn lessons. Some of those lessons came from the United States Congress and came from some members in this very chamber. It is a valuable idea to integrate our efforts against illicit drugs, organized crime and ter-

rorism in a unified holistic approach to support the Merida Initiative. We have learned the lessons from other theaters of operations around the world what can and should be integrated into our Merida efforts. But, Mr. Chairman, there are two lessons that we did not have to learn because we already knew them.

The first is that Merida is a cooperative agreement between the U.S. and Mexico, with the Government of Mexico in charge of all activities within their territory. If we do not work together with the Mexican Government, then we accomplish little for either the American or the Mexican people.

And second, as I learned it the hard way during my years in Colombia, is the lesson of strategic patience. I'm an optimist, Mr. Chairman, and I believe we have already made serious progress under this Initiative. But it took our two nations many years to get into this situation, and it is going to take us some years to get out of it.

I thank you, Mr. Chairman and Mr. Chairman. And I look forward to your questions.

[The prepared statement of Mr. Brownfield follows:]

**Written Testimony of Assistant Secretary William R. Brownfield
Before the House Foreign Affairs Subcommittee on the Western Hemisphere and House
Homeland Security Subcommittee on Oversight, Investigations and Management
Joint Hearing: Mérida Part II: Insurgency and Terrorism in Mexico'
October 4, 2011**

Chairman Mack, Chairman McCaul, and other distinguished Representatives, thank you for your support of the Mérida Initiative and for your attention to the important security challenges in Mexico. I recognize that there may be confusion among some as to what the Mérida Initiative represents. I'd like to frame the initiative today for anyone who might not be as familiar with Mérida as you are. As a foreign assistance program, the Mérida Initiative was not intended to be, nor does it represent, a U.S. operation to counter Mexican drug cartels or criminal actors. Nor was Mérida intended as the panacea for the illicit activity that fuels violence in Mexico. Rather, the Mérida Initiative was crafted by our two governments to strengthen Mexico's institutional capacity to counter crime and enforce the rule of law. Successful outcomes from our programming are not often highlighted in the media, but behind the scenes, they have empowered Mexico's federal authorities to confront drug cartels where they once operated with near impunity.

When it was launched in 2007, the Mérida Initiative aimed to utilize our foreign assistance mechanisms to provide specific equipment and training that the Government of Mexico identified. These resources requirements were designed to endow many of Mexico's federal authorities with specific tools necessary to confront cartels where they operate and to enable the provision of justice at the federal level.

Today the Mérida Initiative is organized around a four pillar strategy that aims to: 1) disrupt the capacity of organized crime to operate; 2) institutionalize reforms to sustain the rule of law and respect for human rights; 3) create a 21st century border; and 4) build strong and resilient communities. We are now moving away from big ticket equipment and into an engagement that reinforces progress by further institutionalizing Mexican capacity to sustain adherence to the rule of law and respect for human rights, build strong institutions, promote full civil society participation, transform the nature of our borders, and by providing intensive technical assistance and training.

Mérida Implementation and Successes

We've come a long way since the concept of the Mérida Initiative was first introduced. Only one high-level cartel member had been arrested by Mexican authorities from 2003 to late 2009 and the start of Mérida programming. Since that time, the initiative has provided training to over 50,000 Mexican Federal police and government officials, provided fourteen helicopters that Mexican authorities use to carry out anti-cartel operations, and other significant equipment to secure information sharing, and counter illicit crime. Our assistance has helped to create the foundation of a strong and responsive federal police and security apparatus. The successes are notable. Since December 2009, Mérida equipment and capacity building have helped Mexico to

remove or arrest 33 high level priority targets, including four of the top seven most wanted criminals designated by the Mexican government.

In December 2010, the Mexican Federal Police conducted a successful operation, supported by the Drug Enforcement Administration (DEA) and Mérida-provided air assets, against the cartel La Familia Michoacana, which dealt a severe blow to the organization by killing one of its founders and leaders. Mérida funded equipment and training touched several aspects of this operation, which was Mexico's first combined ground and air assault and involved more than 800 police personnel. Further, this September, using Black Hawk helicopters that had just been provided, the Mexican Navy (SEMAR) carried out a raid on an alleged Zetas training base in Nuevo Leon, resulting in the arrest of 19 people and the seizure of rifles, ammunition and military uniforms.

Mérida programs have also been used to assist in the development of Plataforma Mexico, one of the largest integrated criminal information databases in the world. Mérida assistance has also helped to develop a voice and fingerprint identification system in Mexico, which was put to use following the recent bombing at a casino in Monterrey. As a result of the new capability, Mexican authorities were able to lift a single fingerprint that led to several arrests that cracked the case wide open.

Technology alone without expert operators is useless. So under Mérida, we have paired the provision of critical non-intrusive inspection equipment with trained officers. That advanced technology, as well as specially trained canine teams also provided by Mérida, has dramatically increased overall seizures of illegal narcotics, cash, weapons and other contraband in Mexico. In his most recent state of the union address, President Calderon announced that since 2006, 108,900 kilograms of cocaine, 9,351 tons of marijuana, 3,651 kilograms of opium, and 798 kilograms of heroin has been confiscated.

In one of our more innovative and successful programs, the State Department is working with the State Corrections Training Academies in Colorado and New Mexico, and the U.S. Federal Bureau of Prisons, to provide training and technical assistance for all levels of corrections staff – from management to support personnel. This program was designed to meet needs for hands-on training as they increase the number of their federal correction facilities from 6 to 22 by the end of 2012. Mexico's new facilities will take back tens of thousands of federal prisoners currently housed in Mexico's state prisons, thereby greatly relieving the state facilities of severe overcrowding. Where Mexico's infrastructure has limited ability to support training in a real-life environment, corrections officials who take part in Mérida-supported training receive certification to international standards by prison experts here in the United States. So far, 180 trainers and officials have been trained and certified by U.S. trainers, and these newly graduated trainers have already gone on to train 1,737 Mexican federal correctional staff.

Mexico is also undertaking a profound transformation of its existing civil law-based inquisitorial judicial system to introduce an oral advocacy system where prosecutors, defense lawyers, and the accused appear before a judge to present testimony and evidence in an open court. The nature of these reforms is very challenging: Mexico is making the huge shift from the inquisitorial to the accusatorial system, and the states are also making changes independent

of progress at the federal level. Our collective efforts under Mérida have therefore been closely coordinated, with the U.S. Department of Justice helping to familiarize trainees with the accusatorial system at the federal level, and USAID leveraging its long-term experience at the state level. This assistance program will be critical in syncing up judicial reforms with policing efforts to ensure that cartels can be confronted and justice administered under the rule of law.

Mérida is also helping to build strong and resilient communities in Mexico that can better resist the influence of the cartels. For example, Mérida support is enabling a local NGO, Mexico United Against Crime, to teach young people about the culture of lawfulness. 600,000 students in 24 states are already receiving three hours of instruction per week throughout an entire year. The goal is to make this a part of Mexico's standard curriculum by 2014. Drug cartel money will continue to exert a powerful negative influence on young adults, but that influence can be diminished by sowing the seeds of community growth and prosperity based in the common good.

Any large-scale effort to combat criminals raises human rights concerns and requires a clear-eyed assessment of how our efforts impact the rights of citizens. Eight thousand Federal police have already been trained to understand better human rights, victim response, and methods to report corruption and bribery. The Federal Police have made this training mandatory for all recruits and plans to train its entire force, focusing on the ethics and values of public service and trustworthiness.

While there are less than 40,000 Mexican federal police officers, Mexico's state and local police are ten times that number. Accusations of corruption against many of Mexico's state and municipal police forces is common and the appearance, let alone the reality, of collusion undercuts law and order and empowers cartels. In order to strike at the heart of cartel operations, the state and local police forces must be further professionalized, developed, and mentored. Massive efforts are underway at the federal and state levels across Mexico to ensure that all existing police and future recruits are vetted through drug testing, background investigation, and polygraph examination. Mérida Initiative assistance is providing equipment and subject matter expertise at the federal level to shape this process. Similar assistance at the state level is also being undertaken.

Mérida Today

This past April, senior leadership from the United States and Mexico met to reaffirm planning for the next phase of Mérida, which will inject assistance to support Mexican state authorities, who are often the first responders to or victims of cartel activity and related violence in their communities.

The Mérida Initiative will support the Government of Mexico's vision for building state-level law enforcement capacity, through the creation of Model Police Units (MPUs). Conceived by Secretary of Public Security Génaro García Luna, the 422 officer strong MPUs are built around a commanding officer who leads three components: Intelligence Analysis, Criminal Investigations, and Tactical Operations. The three priority Mexican States for our initial assistance will be Nuevo León, Chihuahua, and Tamaulipas, each of which has committed to creating five MPUs (2000 officers) with Mérida assistance.

To meet this goal, we will leverage best practices and lessons learned from our federal-level programs and are working to craft an implementation plan that delivers training using a combination of existing state and federal facilities, creating a police training infrastructure that will be sustained for future train-the-trainer instruction. MPUs will be an important law enforcement element within the Mexican states to leverage future training for other partnering state and local police units.

Conclusion

The U.S.-Mexico strategy for Mérida programming has been designed to be a top-down program that Mexico's federal government will ultimately sustain. It is not a quick-fix; it is an ambitious, multi-year effort to address long-standing problems by building sound institutions that together will strengthen the rule of law and reduce impunity.

It is critical to note that U.S. support under Mérida is just a small fraction compared to the resources that the Government of Mexico has invested itself. For every one dollar of assistance the United States has provided through the Mérida Initiative, we believe that the Government of Mexico has dedicated roughly \$13 to combating cartels and improving its security. Mexico's investment is just one more important indicator underscoring the importance of state sovereignty and Mexico's intent to sustain and build its capacity to affect justice under the rule of law.

The courageous parallel efforts by President Calderon to reform Mexico's justice sector are also absolutely necessary and critical. Neither reform effort is swift or absolute. They are difficult, complex and dangerous enterprises. The drug trafficking organizations are today battling one another for operational space that was once relatively uncontested and is today being squeezed by the Government of Mexico with U.S. assistance.

There is no single answer or silver bullet that will bring a quick end to the barbaric violence that we are seeing today in Mexico. But we will continue to carry out our multi-pronged approach in support of the Government of Mexico, to build its capacity to counter threats and enhance cross-border criminal justice programs and information sharing.

Thank you, Chairman Mack, Chairman McCaul and other distinguished Representatives for your time. I will do my best to address your questions.

Mr. MACK. Thank you, Mr. Ambassador.
And now Mr. Benson is recognized for 5 minutes.

STATEMENT OF MR. RODNEY G. BENSON, ASSISTANT ADMINISTRATOR, CHIEF OF INTELLIGENCE, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. BENSON. Good afternoon, Honorable Chairman, Ranking Members and distinguished members of the Foreign Affairs and Homeland Security Committees. Thank you for the opportunity to speak with you today on a subject of critical importance.

My name is Rodney Benson, and I have the privilege of serving as the Drug Enforcement Administration's Chief of Intelligence. During my 28-year career with DEA, I have witnessed firsthand the evolution of Mexican drug trafficking organizations for marijuana suppliers in the '80s, the subordination of the powerful Colombian cartels in the late '80s and early '90s, to one of the primary and most violent actors in the global drug market today.

From my supervisory position on the southwest border, to coordinating multi-jurisdictional and transnational investigations at the headquarters level, and from my position as Special Agent in charge of offices as diverse as Seattle and Atlanta I have witnessed the remarkable spread of Mexican trafficker influence throughout the United States and around the world.

Currently we enjoy unprecedented levels of cooperation and coordination with our Mexican counterparts and greatly appreciate the unwavering commitment and leadership of President Calderón. The fruits of the Merida Initiative have been critical in sustaining Mexican security forces against a formidable enemy. DEA has benefitted from the opportunity to work with better equipped and better trained police officers and prosecutors. The U.S. State Department has administered the provision of technical, material, and educational support to our tireless partners resulting in the dismantling and fracturing of several DTOs and encouraging our partners in Mexico to move forward in far-reaching judicial and law enforcement reforms.

Information sharing between our two nations with the goal of capturing Mexico's most violent and prolific traffickers have never been more robust. As these warring groups have splintered into smaller, often legalist factions, we see that these surrogate bosses lack not only the discipline of their elders and former leaders, but the international connections and influence to realize the accustomed level of profit.

Some might call the resulting behavior anarchy, and DEA recognizes that extreme seemingly arbitrary criminal violence begs a label when some of that violence is directed at government officials, police officers, soldiers, and civilians. And despite some groups resorting to terrorist-like tactics such as bombings and beheadings, these shocking acts are not precipitated by any motivation other than greed and rivalry. The members of these desperate organizations are not fighting in the name of an ideology or loss of their religion, or for political power and influence but to eliminate competition, settle scores and increase profits. Extortion, kidnapping, oil pipeline theft, prostitution, carjacking and robbery, even media

piracy all serve to bolster drug trafficking revenue and they are the hallmark activities of organized crime.

The Government of Mexico continues to work to build law enforcement capacity, and funding from the Merida Initiative was critical in the transformation of the Federal police agency and the training of police officers and prosecutors at all levels. In June of last year our partners passed some of the most effective anti-money laundering legislation in the country's history and the results have our bilateral efforts to claim a portion of the estimated \$18-\$39 billion in drug profits crossing our border every year are improving exponentially.

As a next step, improving the effectiveness of Mexico's state and local police agency is tantamount for lasting success. I stress again, it has only been in this area of remarkable cooperation that U.S. efforts have been matched or exceeded by our partners in Mexico. We are committed to our partners and must continue to support their endeavors to bring security to Mexico and its citizens. Supporting the Merida Initiative and President Calderón as well as the next administration in Mexico is the only option.

Thank you again for the privilege of speaking to you on behalf of the men and women of the Drug Enforcement Administration. And I will gladly respond to any questions you might have.

[The prepared statement of Mr. Benson follows:]

**STATEMENT FOR THE RECORD OF
RODNEY G. BENSON
ASSISTANT ADMINISTRATOR
CHIEF OF INTELLIGENCE
DRUG ENFORCEMENT ADMINISTRATION
BEFORE THE
WESTERN HEMISPHERE SUBCOMMITTEE
COMMITTEE ON FOREIGN AFFAIRS
AND THE
OVERSIGHT, INVESTIGATIONS, AND MANAGEMENT SUBCOMMITTEE
COMMITTEE ON HOMELAND SECURITY
UNITED STATES HOUSE OF REPRESENTATIVES
ENTITLED
“Is Merida Antiquated? Part Two: Updating US Policy to Counter Threats of Insurgency and
Narco-Terrorism”
PRESENTED OCTOBER 4, 2011**

INTRODUCTION

Chairman Mack and Chairman McCaul, Ranking Member Engel and Ranking Member Keating, and distinguished Members of the Subcommittees: On behalf of Drug Enforcement Administration (DEA) Administrator, Michele M. Leonhart, I want to thank you for your continued support of the men and women of DEA and the opportunity to testify about the evolution of drug cartels and the threat to Mexico's governance. I will outline the scope of the problem; the joint initiatives among the DEA, other agencies of the United States Government (USG), and the Government of Mexico (GOM) to tackle the problem; the successes we are realizing; and the challenges that remain.

BACKGROUND

Drug trafficking and abuse exacts a significant toll on the American public. Almost 38,000 Americans die each year as a direct result of drug abuse. In 2009, an estimated 23 million Americans had an active substance use disorder. Many of these addicts abuse or neglect their children and commit a variety of crimes under the influence of, or in an attempt to obtain, illicit drugs. Tens of millions more suffer from this erstwhile “victimless” crime, as law-abiding citizens are forced to share the roads with drugged drivers, pay to clean up toxic wastes from clandestine laboratories, rehabilitate addicts, and put together the pieces of shattered lives. However, in order to calculate the true cost of this threat, we must go further and examine the impact that drug crime plays in corrupting government institutions, undermining public confidence in the rule of law, fostering violence, and fueling instability.

Drug trafficking is a global enterprise generating an estimated \$322 billion per year¹. This figure dwarfs the proceeds from other forms of organized criminal activity and provides a revenue stream for insurgents, terrorists, and other nefarious activity. To put this sum in perspective, the proceeds of the global drug trade exceed the gross domestic product of many national governments and provide ample motivation to those who peddle poison for profit. Some argue that legalization and regulation – even at the cost of untold human suffering and misery – would strip the traffickers of these enormous profits. Both common sense and history have taught that those who are displaced from the drug trade migrate into other areas of criminality. We face an ongoing effort to mitigate the damage done by criminals who put personal profit above all else.

THE SCOPE OF DRUG TRAFFICKING THROUGH MEXICO

The United States and Mexico are committed to cooperative action to reduce the drug threat from which both nations suffer. Drugs are produced and consumed in Mexico and are also transited through Mexico as a result of its strategic location between South America and the United States. The Government of Mexico is confronting the entrenched, cross-border smuggling operations and the diversified, poly-drug, profit-minded Drug Trafficking Organizations (DTOs) within that country. The single objective of those who ply the drug trade is profit. For these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug trafficking.

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 the violence seen in recent years, we do not have to go back very far in history to recall the cross-border killing spree conducted by Gulf Cartel Zeta operatives in the Laredo-Nuevo Laredo area during 2004-2005.

However, one thing must remain clear in any discussion of violence in Mexico: DTOs are inherently violent, and this is especially true in Mexico today, where Wild West-style shootouts between drug traffickers against their rivals and law enforcement are far too common. In fact, according to open source reporting and the Mexican Attorney General’s Office over 90 percent of the homicides in the past few years have been of drug cartel members or associates vying for market shares and trafficking routes.

¹ United Nations Office on Drugs and Crime. “2007 World Drug Report,” p 170.

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 to 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 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 markets in Europe, Australia, Asia, and the Middle East. In addition, Mexican DTOs dominate the wholesale distribution of cocaine and other drugs of abuse throughout the United States.

The current Interagency Assessment of Cocaine Movement (IACM) estimates that 95 percent of the cocaine leaving South America for the United States moves through Mexico. Of the cocaine moving through Mexico, an increasing amount – nearly 80 percent according to IACM estimates – stops first in a Central American country before onward shipment to Mexico. This trend suggests that the Calderón 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 and vulnerable – 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 Calderón government came to power – the price per gram of cocaine in the United States began to rise with a correlative drop in cocaine purity. Since January of 2007 to March of 2011, purity has declined 27 percent from 67 percent to 49 percent. During this same period, we have seen prices increase over 87 percent, from \$101.10 to \$189.24 per gram. Declining purity and increasing price can be seen in nearly every major cocaine market in the United States.

Heroin: Mexico is an opium poppy-cultivating/heroin-producing country. While Mexico accounts for only about 13 percent of the world's opium poppy cultivation, it is a major supplier of heroin to abusers in the United States, particularly in regions west of the Mississippi River. Mexican black tar and brown heroin continue to make in-roads in eastern-U.S. drug markets. According to DEA's Heroin Signature Program (HSP), Mexico was identified as the source country for 33 percent of the samples classified

under the HSP during 2010. We assess 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. 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 GOM has an eradication program, many of the military personnel traditionally assigned to eradicate marijuana and opium poppy have 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 methamphetamine precursor chemicals such as ephedrine, pseudoephedrine, and phenyl acetic acid, Mexican methamphetamine-producing and trafficking organizations are proving to be extremely resourceful in circumventing the strict regulatory measures put in place by the Calderón Administration. As with heroin, there is considerable financial incentive for the Mexican DTOs to sustain a trade they control from manufacture to distribution.

MEXICAN DRUG TRAFFICKING ORGANIZATIONS

The major Mexican drug cartels are complex and highly compartmentalized organizations that manage and control various criminal operations within specific areas of operation in Mexico. Currently, the seven most prominent cartels operating in Mexico include the Sinaloa Cartel, Gulf Cartel, Los Zetas, Juarez Cartel, La Familia Michoacána (LFM), as well as the weakening Beltran-Leyva Organization and Tijuana Cartel. These organizations violently compete for drug entry points into Mexico and the lucrative drug smuggling corridors leading into the United States by routinely threatening, bribing, kidnapping and/or murdering rival drug traffickers, military and law enforcement officials involved in enforcement activities, and “disloyal” officials. While individually unique in many regards, Mexican DTOs share the common characteristics of perpetuating violence, corrupting government officials, acting as poly-drug trafficking organizations, and adapting to a constantly changing environment.

The Sinaloa Cartel: With roots dating back many decades, the Sinaloa Cartel is a powerful consortium of independent Mexican DTOs, which operate as an alliance to share resources for the common goal of trafficking multi-ton quantities of cocaine from South America into the United States. The group is composed of many independent leaders, most notably Joaquin Guzman-Loera, Ismael Zambada-Garcia, and Juan Jose Esparragoza-Moreno, each operating his own trafficking organization. Ignacio Coronel-Villarreal was also a member until his death in July 2010. Together, they wield the greatest influence in the western and southwestern regions of Mexico but also maintain

strongholds in Baja California, Sonora, the Yucatan Peninsula, portions of Chihuahua, and within central Mexico. Of the Mexican DTOs, the Sinaloa Cartel has the broadest reach into Europe, Asia, and Australia.

Gulf Cartel: Osiel Cardenas-Guillen had been the powerful head of the Gulf Cartel, a DTO that controls large-scale marijuana and cocaine trafficking through smuggling corridors in northeastern Mexico. In March 2003, Cardenas-Guillen was arrested but maintained control of the organization until his extradition to the United States on January 19, 2007. Following his extradition, the Gulf Cartel continued to function under the dual direction of Jorge Eduardo Costilla-Sanchez and Ezequiel Cardenas-Guillen (Osiel's brother). Currently, the greater part of the Gulf Cartel's dominance lies in the state of Tamaulipas, though its influence extends to Nuevo Leon, San Luis Potosi, and Veracruz. On November 5, 2010, members of the Mexican Navy (SEMAR) launched a capture operation in Matamoros, Mexico against Ezequiel Cardenas-Guillen, aka Tony Tormenta, which ultimately ended in his death. Led solely by Jorge Eduardo Costilla-Sanchez, the Gulf Cartel has entered into a greater alliance with the Sinaloa Cartel and LFM in recent years in its attempt to target Los Zetas.

Los Zetas: With Osiel Cardenas-Guillen's rise to power as head of the Gulf Cartel in the late 1990's came the formation of a security and enforcement team made up of former Mexican Special Forces (GAFES) members dubbed "Los Zetas." The Zetas quickly gained notoriety for being brutal enforcers and having an uncanny ability to corrupt local government and law enforcement officials to further the Gulf Cartel's drug trafficking activities. Through the years, the Zetas evolved from their traditional role as personal security for Gulf Cartel leaders to obtain a share in leadership roles, plaza control, and full organizational enforcement. Moreover, the Zetas expanded the Gulf Cartel's business model by adding new ventures to the organization's illicit portfolio. These new ventures included the extortion of local businesses, prostitution, murder-for-hire, kidnapping, media piracy, and the theft of oil. As a result of their persistence and brutal nature, the Zetas were able to expand the Gulf Cartel's, and as it turned out, their own influence throughout most of central and southern Mexico.

Currently, the Zetas are led by Heriberto Lazcano-Lazcano and Miguel Treviño-Morales. In early 2008, evidence began mounting that Los Zetas had separated from the Gulf Cartel and had become an independent organization. The separation was amicable until conflict erupted between the two groups in early 2010, heralding the final split of the two organizations. The end of the cohesion between the two organizations revealed the extent of power and territorial influence the Zetas had achieved in Mexico in preceding years. While several areas in the state of Tamaulipas quickly fell under Gulf Cartel control, Los Zetas began to control plazas formerly associated with the Gulf Cartel in central and southern Mexico.

La Familia Michoacána: La Familia, also known as La Familia Michoacána (LFM), is a prominent DTO based in the state of Michoacán, Mexico. The cartel originated in the 1980s as a primarily marijuana production and distribution organization led by Carlos Rosales-Mendoza. Upon Rosales-Mendoza's arrest in 2004, Jesus "Chango" Mendez-Chavez and Nazario "Chayo" Moreno-Gonzalez assumed joint leadership of the cartel, officially designating it with its current name in 2006. Although LFM ended its alliance with the Gulf/Zetas in late 2007, it has since resumed an alliance with the Gulf Cartel, along with the Sinaloa Cartel, in opposition to Los Zetas. LFM is heavily involved in the production of methamphetamine in Michoacán for transit to the United States, as well as the transportation of cocaine and marijuana to the United States. The Government of Mexico has had several high-level successes against LFM, including the presumed December 2010 death of co-leader Nazario Moreno-Gonzalez and the June 21, 2011 arrest of co-leader Jesus Mendez Vargas.

Juárez Cartel: Since the early 1990s, the Carrillo Fuentes DTO, aka the Juárez Cartel, has controlled the Juárez-El Paso corridor in Chihuahua, Mexico. The late Amado Carrillo Fuentes ran the organization at the height of its power and earned the Juárez Cartel the distinction of being one of the most powerful DTOs in Mexico. After Amado's death in 1997, the Juárez Cartel's influence became reduced to the state of Chihuahua. By the mid-2000s, in an effort to regain its former glory, the Juárez Cartel launched a campaign to consolidate exclusive control over drug trafficking activities in Chihuahua by instituting a piso (operating fee) and exerting pressure on Sinaloa Cartel-aligned traffickers who had recently established themselves in the state. In January 2008, the Sinaloa Cartel commenced the war by targeting Juárez Cartel-aligned police officers in Ciudad Juárez, and the number of drug-related homicides surged in the region. Despite years of fighting, the Juárez Cartel has demonstrated adaptability and perseverance in the face of conflict. While the Sinaloa Cartel has established a foothold in southeastern Chihuahua, the Juárez Cartel remains dominant throughout the western and central portions of the state. The areas to the northeast of the state, which include Ciudad Juárez and the Juárez Valley, remain in dispute and account for a large percentage of Mexico's drug-related murders.

Beltran Leyva Organization: After the death of Arturo Beltran Leyva (ABL) in December 2009, the Beltran Leyva Organization fragmented under the leadership of Hector Beltran Leyva to the point that they could no longer compete with other cartels. By mid-March 2010, Hector's right-hand man Sergio Villarreal Barragan was fighting off a power challenge from former fellow ABL lieutenant Edgar Valdez Villarreal. On August 30, 2010, Mexican authorities arrested Edgar Valdez Villarreal. Sergio Villarreal Barragan was then arrested on September 12, 2010, as were several of their Colombian cocaine suppliers, including Victor and Dario Valencia Espinosa (September 10, 2010) and Harold Mauricio Poveda-Ortega (November 4, 2010). Currently, the struggle for

control of territory continues between what remains of the Hector Beltran Leyva Organization and the Cartel Independiente de Acapulco (CIDA), remnants of Valdez Villarreal's faction of the cartel.

Tijuana Cartel: From the mid-1980s through the 1990s, the Arellano Felix DTO, also known as the Tijuana Cartel, was one of the most powerful poly-drug trafficking organizations in Mexico. This DTO operated not only in Tijuana but also in parts of Sinaloa, Sonora, Jalisco, and Nuevo Leon. Since the early 1990s, the Arellano Felix DTO has been engaged in a bitter feud with other Mexican cartels and has been slowly dismantled by Mexican authorities through the arrest and death of the organization's key leaders. Currently, Fernando Sanchez Arellano leads the much weakened DTO. Infighting within the Tijuana Cartel has allowed for encroachment by the Sinaloa Cartel and La Familia Michoacána into its territory with little to no resistance.

As these DTOs and their splintered factions compete for access to sources of supply and trafficking routes, while simultaneously attempting to defend themselves against GOM offensives, there has been an unprecedented amount of violence in Mexico. Since President Calderón took office in December 2006, there have been a total of nearly 43,000 drug-related deaths. The vast majority of the more than 15,200 drug-related homicides in Mexico in 2010 were concentrated in the states of Chihuahua, Sinaloa, Guerrero, and Tamaulipas.

THE THREAT TO GOVERNANCE

Those who organize, finance, direct, and control drug trafficking thrive in areas where government control is weak. While the drug trade fuels corruption worldwide, it is no coincidence that the so-called "kingpins" who run this global drug trade enterprise do not reside in the U.S. Here, they would be exposed to our highly effective criminal justice system. Rather, they operate from locations that they perceive to be safe havens and direct the activity of subordinates and surrogates who supply drugs to the U.S. market. This model is intended not only to frustrate attempts to successfully prosecute these criminals, but also to maximize the autonomy of these organizations in the countries where they are headquartered.

A stable and secure Mexico is in the best interests of both the U.S. and Mexico, but the violent actions and corruptive influence of DTOs threatens that security. Since President Calderón took office in December 2006 and immediately set out to break the power and impunity of these cartels, his government has deployed tens of thousands of military troops to assist police in combating cartel influence and related violence. More troubling is the fact that many of these brutal murders were committed with the specific intent to intimidate the public and influence the government to suspend action against the cartels. Fortunately, the Calderón Administration has been resolute and steadfast in its commitment to break the power and influence of these cartels.

The Calderón Administration also has aggressively investigated allegations of corruption within the government, arresting hundreds of officials for taking bribes from the cartels. Even the Deputy Attorney General responsible for prosecuting traffickers was allegedly protecting them – for a fee of \$450,000 per month. The problems uncovered in Mexico during the past few years reflect increasing threats to the rule of law. The concept of “*plata o plomo*” (bribes in silver or lead bullets) is well-documented in Mexican drug trafficker culture and refers to the choice public and police officials must make when first confronted by this powerful criminal element. The confluence of brutal violence and corruption makes it difficult to enforce drug laws and undermines public confidence in government. Left unchecked, the power and impunity of these DTOs could grow and become an even greater threat to the national security of Mexico. An additional challenge affecting the Western Hemisphere is the rise in the number of areas which becoming havens for traffickers to pursue illicit activities, largely undeterred by law enforcement or the local government. This is why our partnership with Mexico under the Merida Initiative and its following initiatives – The Caribbean Basin Security Initiative and the Central America Regional Security Initiative, and our shared responsibility are vital to contend with this threat.

COOPERATIVE INITIATIVES WITH THE GOVERNMENT OF MEXICO

The United States engages in cooperative efforts with our Mexican law enforcement partners to provide information, training, and equipment that will allow Mexican authorities to apprehend, prosecute, and convict drug traffickers. The Calderón Administration is taking the fight directly to the cartels. The quantifiable impact of huge drug, weapons, and money seizures presents part of the picture. Although equally important, the psychological impact of high-level arrests and the record numbers of extraditions to the United States is difficult to measure, it is nonetheless an extremely powerful tool. No other action by the Government of Mexico strikes so deeply at cartel fears than an arrest and extradition to the United States. On January 19, 2007, only weeks after his inauguration, President Calderón took the politically courageous step of extraditing 15 individuals to stand trial in the United States, including the notorious Gulf Cartel leader and Consolidated Priority Organizational Target (CPOT) Osiel Cardenas Guillen. Since then, the GOM has extradited a total of 422 criminals to the United States, as of June 25, 2011.

DEA believes the Merida Initiative serves as a solid foundation for our law enforcement partnerships throughout the region. Our timely support to our partners in funding and aggressive action on our side of the border has created the best opportunity we have had in years to make serious inroads in dismantling these criminal organizations. Continued funding of the Merida Initiative will continue to strengthen DEA’s partnerships in Mexico, allowing enhanced cooperation and information sharing as we target the drug trafficking organizations threatening the people of both our nations. Continuing these efforts will not only assist DEA operations along the Southwest border, but increased law enforcement capacity in Mexico and Central America will strengthen US efforts and operations across the board.

In addition to extradition, training, and intelligence sharing partnerships, the DEA facilitates several additional cooperative initiatives with the GOM, including:

- The *Sensitive Investigative Unit (SIU) Program* is the foundation for building an effective and trustworthy partner nation unit capable of conducting complex investigations targeting major Mexican DTOs. The program provides DEA with a controlled and focused investigative force multiplier that allows DEA access to a global transnational enforcement and intelligence network that directly supports DEA's Drug Flow Attack Strategy (DFAS). The Mexican Secretary of Public Security, Genaro Garcia Luna, has routinely noted that the SIU program is one of the most effective bilateral programs in Mexico.

The SIU attained a number of noteworthy enforcement successes during CY 2010 and 2011. These successes included the arrests of the following high-value targets—CPOT Carlos Ramon Castro-Rocha in May 2010; PTO Edgar Valdez Villarreal (La Barbie), CPOT Harold Mauricio Poveda-Ortega (El Conejo) in November 2010; CPOT Nazario Moreno Gonzalez (Chayo) in December 2010; CPOT Jose de Jesus Mendez Vargas (Chango) in June 2011 and the arrest of La Linea hit-man Jose Antonio Acosta-Hernandez (Diego) in July 2011. Acosta-Hernandez was responsible for ordering daily executions, kidnappings, car bomb attacks, extortions, and other types of attacks against Sinaloa Cartel members, civilians, and law enforcement officers in the state of Chihuahua. Acosta was also responsible for ordering the placement of several narco-banners in Ciudad Juarez and Ciudad Chihuahua that threatened DEA for assisting Mexican law enforcement agencies in targeting La Linea. Additional programs funded by the Merida Initiative will facilitate anti-corruption and federal police professionalization efforts in a broader context.

U.S. GOVERNMENT INTER-AGENCY INITIATIVES

In addition to a robust partnership between the USG and the GOM, there are also several USG interagency initiatives designed to stem the flow of drug trafficking, including:

- The *Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center* provides investigative and operational 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 the Special Operation Division (SOD). Intelligence and leads relating to other criminal activities, including terrorism, are disseminated through SOD to the appropriate agencies.
- The *DEA led, multi-agency 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 law enforcement entities with overlapping investigations and

ensure tactical and operational intelligence is shared and that enforcement operations and investigations are fully coordinated among law enforcement agencies.

- The *DEA's Drug Flow Attack Strategy (DFAS)* is an innovative, multi-agency strategy designed to significantly disrupt the flow of drugs, money, and chemicals between source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructures of major DTOs. 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 component in the source and transit zones. Iterations of OAI have been staged annually since 2005.

A crucial partner in DEA's DFAS is the Joint Interagency Task Force South (JIATFS). JIATFS provides operational and intelligence fusion support to DEA by coordinating the use of Department of Defense, Department of Homeland Security (DHS), and partner nation air and maritime assets in joint operations.

- The *El Paso Intelligence Center (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' database to law enforcement agents, investigators, and analysts. This function is critical in the dissemination of relevant information in support of tactical and investigative agencies, 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. Prominent efforts include:

- 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 Southwest Border. The analysis of Gatekeeper organizations not only provides a better understanding of command and control, organizational structure, and methods of operation, but also serves as a guide for policymakers to initiate and prioritize operations by U.S. anti-drug elements.
- Implementation of *License Plate Readers (LPRs)* along the Southwest Border by the Department of Justice and DHS 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 used to transport bulk cash, drugs, weapons, and other illegal contraband.

- The **Border Intelligence Fusion Section (BIFS)** was established at EPIC. This section provides collection and analysis of data from EPIC National Seizure System (NSS) and IC data points. The section provides support to the Alliance to Combat Transnational Threats (ACTTs), law enforcement and interdiction assets along the Southwest Border.
- The **Rail Fusion Unit** was established at EPIC in September 2011. The unit will provide tactical intelligence in support of law enforcement operations involving U.S. rail carriers.
- **Bulk Cash Seizures** represent the cash proceeds obtained from the illegal trafficking of drugs, weapons, and persons and are targeted by DEA, the Federal Bureau of Investigation (FBI), the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Homeland Security Investigations (HSI), and other federal, state, and local law enforcement partners for use in obtaining valuable investigative leads and intelligence data.

Going forward, information regarding bulk cash seizures will be simultaneously shared between HSI's Bulk Cash Smuggling Center in Vermont and the National Seizure System (NSS) at EPIC. EPIC-NSS functions as a repository for detailed bulk currency seizure information from both domestic and foreign law enforcement agencies. NSS analyzes volumes of bulk currency seizure data and develops investigative lead reports. The EPIC Bulk Currency Unit and the HSI Bulk Cash Smuggling Center are combining efforts and establishing a Bulk Currency Section at EPIC. This will be an integrated DEA/HSI unit leveraging both the NSS and the Bulk Cash Smuggling Center's database.

- DEA is an integral participant in the multi-agency **Organized Crime and Drug Enforcement Task Force (OCDETF) Co-located Strike Forces**, which are a primary platform for implementation of the USG's strategy for targeting and dismantling the highest level drug trafficking and money laundering organizations. These Co-located Strike Forces operate all across the Southwest Border, including San Diego, Phoenix/Tucson, El Paso/New Mexico, and Houston/San Antonio/Laredo/McAllen, as well as in other key transshipment and distribution hubs across the United States. The OCDETF Co-located Strike Forces leverage the expertise and authorities of multiple federal, state and local law enforcement agencies, together with experienced federal drug prosecutors, in co-located task forces that have elevated to new levels of effectiveness the investigation and prosecution of the most notorious Mexican DTOs.
- DEA is a member of the DHS **Border Enforcement Security Task Force (BEST)**, an HSI-led initiative designed to increase the flow of information between participating agencies regarding DTOs and violent gangs operating along our shared borders. In particular, BESTs target the underlying source of cross border violence along the Southwest Border: weapons smuggling, narcotics smuggling, human smuggling, and bulk cash smuggling.

- DEA implemented *DEA-wide Intelligence Collection Plans (ICPs)* in 2010. All domestic and foreign offices will have collection plans in effect by the beginning of fiscal year 2011. These plans are designed to allow the offices to define their intelligence gaps and priorities and then monitor the collection of information that satisfies those intelligence needs. The collection plans provide operational, tactical, strategic, and policy-level intelligence used to support investigations, regional planning, and resource decision-making. Intelligence gathered under the guidance of the ICP is shared with the Intelligence Community and other federal, state, and local law enforcement agencies. For DEA offices along the Southwest Border, the ICPs provide a structured mechanism to collect information needed to assess counter-drug measures and security threats along the U.S.-Mexico border.

CHALLENGES

The daily challenges posed by Mexican DTOs are significant, but are overshadowed of late by a very specific set of challenges: reducing the rampant violence in Mexico; closely monitoring the security situation in Mexico; and, perhaps most importantly, lending our assistance and support to the Calderón Administration to ensure its continued success against the ruthless and powerful cartels. The GOM has realized significant gains in re-establishing the rule of law in Mexico and in breaking the power and impunity of the DTOs who threaten the national security of both Mexico and the United States. The Calderón Administration's gains translate to an unparalleled positive impact on the U.S. drug market as well: from January 2007 through March 2011, the price per gram of cocaine increased 87.2 percent from \$101.10 to \$189.24, while the average purity decreased by 27 percent. 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 normalize within a few months. Unlike in the past, we are now in the midst of a four-year period of escalating prices and decreasing purity. Investigative intelligence from around the country—including intercepted communications of the traffickers themselves, corroborates the fact that President Calderón's efforts are making it more difficult for traffickers to supply the U.S. market with illicit drugs.

CONCLUSION

DEA recognizes that interagency and international collaboration and coordination are fundamental to our success. It is imperative that we sustain the positive momentum by supporting President Calderón's heroic efforts against Mexico's powerful DTOs. 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 as to stemming 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 systems 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 am happy to answer any questions you may have.

Mr. MACK. Thank you very much, Mr. Benson.
Ms. Silver, you are recognized for 5 minutes.

STATEMENT OF MS. MARIKO SILVER, ACTING ASSISTANT SECRETARY, OFFICE OF INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. SILVER. Thank you very much.

Chairman Mack and Chairman McCaul, Ranking Member Engel and Ranking Member Keating and distinguished members of the subcommittees on behalf of the Secretary of Homeland Security Janet Neapolitan, first I want to thank you for your continued support and for the opportunity to testify today about our work with Mexico and on the Merida Initiative.

DHS components have participated in the State Department-led Merida Initiative since its inception in 2007, and Secretary Neapolitan continues to support DHS' active participation in Merida-funded programs. While the State Department has responsibility, as you know, for policy oversight and dispersing Merida funds, DHS and other interagency partners participate heavily in implementing specific programs. This approach is consistent with the Department of State's Quadrennial Diplomacy and Development Review which states: "Given the national security implications of security sector assistance, State will look first to the Department of Justice, Department of Defense, and Homeland Security to implement State programs involving counterterrorism capacity building, foreign law enforcement, or strengthening justice and interior ministries." And we are pleased to participate in that with respect to Mexico.

In my written testimony I provided some specific examples regarding the types of engagement that CBP, ICE, Coast Guard and US-VISIT in particular have had during the course of the Merida Initiative. We work with State Department and with our Mexican partners on everything from training to procuring equipment paid for by the Merida Initiative. We believe that DHS' unique expertise and skill sets have contributed greatly to furthering the goals of the Merida Initiative.

I want to note that the Merida Initiative marked a change in the nature and extent of collaboration with Mexican on security and law enforcement issues. We saw this at the policy level and we see it on the ground. As part of this shift, it led to a significant reframing and reorganization of much of our bilateral engagement.

The Merida Initiative, as you know, is now framed around four pillars. DHS work engages in all four, but we focus on pillar three, which is creating a 21st century border.

During the State visit of Mexican President Felipe Calderón in May 20, 2010, President Obama and Calderón specifically noted the importance of the work being accomplished under pillar three. President Obama and Calderón's joint statement set out a policy vision for our countries articulating that "the Twenty-First Century Border must ensure the safety and security of residents and communities along both sides of the border." They affirm the mutual interests of Mexico and the United States to prevent entry into our countries of people who pose a threat to national security.

The Presidents' border vision also recognizes the need to develop the border and manage it in a holistic fashion which we've been working on with our Mexican partners.

This policy vision requires us to move beyond seeing border management as simply guarding or policing the jurisdictional line between the United States and Mexico. The border and the interior are inextricably linked as was pointed out. Thus, government efforts at the border and the interior should be complimentary, coordinated, of course deconflicted, and mutually re-enforcing leveraging the good work of all interagency counterparts.

Enforcement at the border, that is between and at the ports of entry, is necessary but it should be part of a more comprehensive approach. Through this approach we need to engage domestically at the border and aboard, which we're here to talk about today, to secure the United States. We need to also leverage opportunities working with our foreign partners to intercept and neutralize threats before they reach the U.S. border.

DHS recognizes, of course as I'm sure do all of you, that more places and more countries are interconnected through networks of trade and travel everyday. The very nature of travel, trade and commerce today means that vulnerabilities or gaps anywhere across the globe, including of course in our neighbor Mexico, have the ability to affect activity thousands of miles away and here in the United States. Our efforts to secure our borders then must also include efforts to secure global trade and travel networks. This view of border security highlights the importance of collaboration and coordination with federal, state, local and travel governments as well as international and private sector partners. It's built on approaches to ensure both economic competitiveness and national security. We, of course, can't let commerce grind to a halt.

DHS appreciates the support Congress has shown for our work and your support of the United States relationship with Mexico through the Merida Initiative. From the field level to senior departmental leadership the United States and Mexico are closer now than we have been.

While challenges remain, we believe there's a strong foundation of cooperation on which we will build. We look forward to continuing to work with Congress to achieve these goals and with our Mexican partners.

Thank you again for the opportunity to testify. I'm happy to take any questions you may have.

[The prepared statement of Ms. Silver follows:]



STATEMENT OF

**DEPARTMENT OF HOMELAND SECURITY
ASSISTANT SECRETARY OF INTERNATIONAL AFFAIRS (ACTING)
MARIKO SILVER**

BEFORE THE

**HOUSE FOREIGN AFFAIRS
SUBCOMMITTEE ON THE WESTERN HEMISPHERE**

AND THE

**HOUSE HOMELAND SECURITY
SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS, AND MANAGEMENT**

*Assessing the Mérida Initiative: The Evolution of Drug Cartels and the Threat to Mexico's
Governance, Part 2*

October 4, 2011

Securing our Border and Partnering with Mexico

Chairman Mack and Chairman McCaul, Ranking Member Engel and Ranking Member Keating, and distinguished Members of the Subcommittees: On behalf of Department of Homeland Security Secretary Janet Napolitano, I want to thank you for your continued support the opportunity to testify today about the Mérida Initiative.

Although the Mérida Initiative began as a foreign assistance program with a focus on equipment purchases and associated training, it has helped facilitate a much broader security partnership. I want to focus first on ways in which DHS has supported the foreign assistance aspects of the Mérida Initiative, and then I will turn my attention to the broader security partnership that the Mérida Initiative has facilitated. Lastly, I will address the work that DHS is doing at our shared border.

The Mérida Initiative

DHS Components have participated in the Department of State (DOS)-led Mérida Initiative since its inception in 2007, and Secretary Napolitano continues to support DHS's active participation in Mérida-funded programs. The DOS has responsibility for policy oversight and for disbursing the appropriated Mérida funds, but DHS and other U.S. interagency partners assist in implementing specific programs—an approach that is consistent with the Department of State's Quadrennial Diplomacy and Development Review, which states, "given the national security implications of security sector assistance, State will look first to the Department of Justice, the Department of Defense, and the Department of Homeland Security to implement State programs involving counterterrorism capacity building, foreign law enforcement, or strengthening justice and interior ministries."

Through the Mérida Initiative programs DHS: (1) provides training courses and conferences in DHS areas of expertise, including operational corridor security, intelligence gathering, and investigations; (2) procures on behalf of the Government of Mexico (GOM) using Mérida initiative funds equipment; (3) assigns advisors to conduct training for (GOM) officials, customs officers, federal police, and military, including on the rule of law and respect for human rights; and (4) completes assessments on border security, transnational criminal groups, the flow of weapons, and the use of biometrics. Some examples of the types of equipment, training, and/or assistance DHS has provided during the course of the Mérida Initiative include:

U.S. Immigration and Customs Enforcement (ICE)

- From August 2009 to December 2009, ICE deployed 26 special agents to teach basic criminal investigative methods to approximately 2,400 Secretariat of Public Security (SSP) recruits at the SSP academy, and in November 2009 conducted a two-week undercover training course for 42 SSP officers covering basic concepts of undercover operations, situational awareness, informant management, surveillance, operational security, intelligence gathering, and basic special response team tactics.
- In August 2009, ICE deployed four instructors to teach one-day courses on arms trafficking and cyber crimes to 200 senior SSP officers.

- Conducted training for approximately 40 Office of the Attorney General (PGR) and Mexican Customs officials on state-of-the-art money counters in May 2010, hosted a Bi-National Money Laundering conference and strategy session in Mexico City in June 2010, and obtained funding for 34 Mexican government officials to attend the 2010 BEST conference and training session in August 2010.
- Provided Reid Interview training—a technique which consists of non-accusatory interviews combining both investigative and behavior-provoking questions—to approximately 50 SSP and Center for Investigation and National Security (CISEN) officials throughout in the summer of 2010.
- Conducted a ten-week criminal investigator course for 24 Tax Administration Service (SAT) officials modeled on ICE special agent training from August 2010–October 2010, complimented by a shadowing program for these same SAT officials as a follow-up to the ten-week investigator course.
- Conducted transnational gang training for 61 SSP officers in August 2011.

U.S. Customs and Border Protection (CBP)

- CBP provided training to 50 SSP officers on Non-Intrusive Inspection Equipment in 2010 and to an additional 40 SSP officers in August 2011.
- CBP provided 50 canines and trained 42 handlers and 5 canine instructors. In 2011, CBP provided 20 additional canines for Mexican Customs (MXC), trained 19 handlers, and recertified two instructors.
- In FY 2010, CBP provided training to 57 SSP officers on Hidden Compartments, First Aid Awareness Training, All-Terrain Vehicle Awareness Training and Close Quarters Marksmanship and Room Clearing Training. In FY2011, CBP trained 189 SSP Officers in the same categories.
- In May 2010 and February 2011, CBP provided three-week training courses to two groups of thirteen (13) MXC Academy instructors; follow-on training is planned for October/November 2011 and February/March of 2012.

United States Coast Guard (USCG)

- Utilizing Merida Funds, USCG is procuring four CN235 Maritime Patrol Aircraft, spare parts, and training for Mexico. USCG awarded a contract on October 1, 2010, to EADS North America. Delivery of the first aircraft is planned for November 2011 and the second, third and fourth aircraft are scheduled to be delivered in early February, late February, and March 2012, respectively.

National Protection and Programs Directorate (NPPD)/United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program

- US-VISIT provided Mexico's National Institute for Migration (INAMI) with technical information relating to the standards and specifications for collecting, storing, and matching the biometric data of individuals seeking entry to Mexico. INAMI has used this assistance to begin limited biometric collection in connection with document issuance on its border with Guatemala.

DHS is proud of the support we have provided through the Mérida Initiative. We believe that DHS's unique expertise and skill sets have contributed greatly to further developing the

capacity of our Mexican counterparts. DHS will continue to work with DOS to support this effort.

The Mérida Initiative marked a change in the nature and extent of collaboration with Mexico on security and law enforcement issues. As part of this shift, it led to a significant reframing and reorganization of much of our bilateral engagement with Mexico. The Mérida Initiative is now framed around four pillars: (1) Disrupting Organized Criminal Groups; (2) Institutionalizing Reforms to Sustain Rule of Law and Respect for Human Rights; (3) Creating a 21st Century Border; and (4) Building Strong and Resilient Communities. These four pillars guide much of the overall U.S.-Mexico interaction. DHS is engaged, to various degrees, in all four of the Mérida Initiative Pillars.

During the State Visit of Mexican President Felipe Calderón in May 2010, Presidents Obama and Calderón specifically noted the importance of the work being accomplished under “Building a 21st Century Border.” Presidents Obama’s and Calderón’s joint statement set out a policy vision for our countries, articulating that “the Twenty-First Century Border must ensure the safety and security of residents in communities along both sides of the border and affirmed the mutual interest of Mexico and the United States to prevent entry into our countries of people who pose a threat to the national security of both nations.” The presidents’ border vision also recognizes the importance of facilitating lawful trade and travel—that we need to “develop [the border] and manage it in a holistic fashion and in ways that facilitate the secure, efficient, and rapid flows of goods and people and reduce the costs of doing business between our two countries.”

This policy vision requires us to move beyond seeing border management as simply guarding or policing the jurisdictional line between the United States and Mexico. The border and the interior are inextricably linked. Thus, government efforts at the border and the interior should be complementary, coordinated, deconflicted, and mutually reinforcing, leveraging the good work of all interagency counterparts. Enforcement at the border—between and at ports of entry—is a necessary component of any border security plan, but it should be part of a more comprehensive approach, through which we engage domestically, at the border, and abroad to secure the safety of United States. We need also to leverage opportunities—working with our foreign partners—to intercept and neutralize threats *before* they reach the U.S. border.

During the State Visit, the presidents also issued a Declaration on 21st Century Border Management, and as governments we have taken tremendous steps forward in implementing the presidents’ vision of a safe, secure, and prosperous 21st century border.

- The Declaration established the Executive Steering Committee, whose membership includes senior officials from the U.S. and Mexican governments. In its first meeting on December 15, 2010, it approved a binational Action Plan comprised of specific initiatives and deliverables to be jointly worked by the U.S. and Mexican interagencies, which have either been completed or will be completed by the end of this year.
- A series of targeted binational technical working groups were created and there is regular binational collaboration and coordination on diverse areas of expertise such as: infrastructure planning, development, and improvements; development and expansion of trusted traveler

and shipper programs; and improved private sector outreach for commerce, response and recovery, and community concerns.

Though not without its challenges, the Mérida Initiative has helped move us to a historic level of collaboration, understanding, cooperation, and trust. It not only provides needed assistance to our counterparts in Mexico in order to further mutual objectives, it also provides a policy framework upon which to build, and further institutionalize, this important relationship.

DHS's Efforts to Secure our Border

Many of the investments we are making in the Mérida Initiative and related programs will reap long term rewards. At the same time, we are continuing efforts to secure the border. DHS's border security efforts are based on an overarching goal: to ensure a safe, secure border zone where we expedite legal trade and travel. A border policy that enables expedited flows of legitimate goods and people will free up finite law enforcement resources to focus on goods or people for which we lack information or know are high risk.

The success to date of the *Southwest Border Initiative*, launched in March 2009, illustrates our commitment to collaborating with each other and with our federal, state, local, and tribal partners to achieve this goal. The Initiative has brought unprecedented focus to Southwest border security, and is an effective approach to enforcing immigration laws in the interior of our country.

Thus far:

- The Border Patrol is better staffed today than at any time in its 87-year history, having doubled the number of agents from approximately 10,000 in 2004 to more than 21,000 today.
- Since 2004, the number of "boots on the ground" along the Southwest border has increased by 91% to nearly 18,000 Border Patrol Agents today.
- ICE has deployed a quarter of all its personnel to the Southwest border region – the most ever.
- ICE has doubled the number of personnel assigned to Border Enforcement Security Task Forces.
- ICE has increased the number of intelligence analysts along the Southwest border focused on cartel violence.
- ICE has tripled deployments of Border Liaison Officers.
- CBP has deployed additional dual detection canine teams, which identify firearms and currency, as well as additional narcotics detection canine teams.
- CBP has deployed additional non-intrusive inspection systems, Mobile Surveillance Systems, Remote Video Surveillance Systems, thermal imaging systems, radiation portal monitors, and license plate readers to the Southwest border.
- DHS has deployed thousands of technology assets – including mobile surveillance units, thermal imaging systems, and large- and small-scale non-intrusive inspection equipment – along the Southwest Border and currently has 127 aircraft and four Unmanned Aircraft Systems operating along the southwest border.

Further, with the aid of the \$600 million supplemental requested by the Administration and passed by the Congress in the summer of 2010, we are continuing to add technology, manpower, and infrastructure to the border. These funds are helping us to:

- Add 1,000 new Border Patrol Agents;
- Add 250 new CBP officers at our ports of entry;
- Add 250 new ICE HSI Special Agents focused on transnational crime;
- Improve our tactical communications systems;
- Add two new forward operating bases to improve coordination of border security activities; and
- Add additional CBP unmanned aircraft systems. In fact, we have now instituted Predator Unmanned Aircraft System coverage along the entire Southwest border – from the El Centro Sector in California to the Gulf of Mexico in Texas.

Additionally:

- President Obama authorized the temporary deployment of 1,200 National Guard troops who actively assisted us in our work along the border;
- Based on risk, cross-border traffic and border-related threat intelligence, in the last three years (Fiscal Years 2009, 2010 and 2011) DHS provided a total of \$167 million in Operation Stonegarden funding to Southwest border law enforcement agencies – a record amount—which represents over 80 percent of the Operation Stonegarden, up from 59 percent in 2008.
- In partnership with the Drug Enforcement Administration and the Department of Defense, we have achieved initial operational capability for the new Border Intelligence Fusion Section, which stores, integrates, and synthesizes all available Southwest border intelligence from federal, state, local, and tribal partners to create a common intelligence picture to support border enforcement activities for the Southwest border within the El Paso Intelligence Center; and
- We are continuing to work with Mexico to develop an interoperable, cross-border communications network that will improve our ability to coordinate law enforcement and public safety issues.

Taken as a whole, the additional manpower, technology and resources we have added over the past two years represent the most serious and sustained action to secure our border in our nation's history. And it is clear from every key measure that this approach is working:

- Nationwide Border Patrol apprehensions of illegal aliens decreased from nearly 724,000 in FY2008 to approximately 463,000 in FY 2010, a 36 percent reduction, indicating that fewer people are attempting to illegally cross the border.
- Over the past two and a half years, DHS has seized 75 percent more currency, 31 percent more drugs, and 64 percent more weapons along the Southwest border as compared to the last two and a half years during the previous Administration.
- DHS matched the decreases in apprehensions with increases in the seizure of illegal currency, drugs, and weapons along the Southwest border.

- In fiscal years 2009 and 2010, ICE made over 20,617 criminal arrests along the Southwest border, an increase of approximately 14 percent compared to the two previous years. Over 13,229 of these arrests were of drug smugglers and over 2,622 of these arrests were of human smugglers.
- Complementing these efforts, the United States Coast Guard has continued to serve as an effective deterrent force against illegal immigration via our maritime borders, while working to combat the flow of illegal drugs and other contraband into the United States. In fiscal year 2010, the Coast Guard interdicted more than 2,000 undocumented migrants, felons and repeat offenders attempting to illegally enter the United States from the sea. The Coast Guard also seized more than 202,000 pounds of cocaine and 36,700 pounds of marijuana.

Conclusion

DHS recognizes that more places in more countries are interconnected through networks of trade and travel and that the very nature of travel, trade, and commerce today means that vulnerabilities or gaps anywhere across the globe have the ability to affect activity thousands of miles away. Our efforts to secure our borders, then, must include efforts to secure global trade and travel networks, not just the border itself. Our land, air, and sea ports will be most secure when the networks that feed these access entry points are also secure. This multi-layered approach to border security highlights the importance of collaboration and coordination with federal, state, local and tribal governments, as well as international and private sector partners—the Mérida Initiative and the Southwest Border Initiative are programs that facilitate these types of important collaborative efforts.

From the field level to senior departmental leadership, the United States and Mexico are closer now than we have ever been. And the successes we have achieved demonstrate the value of our work together. Strong partnerships with international counterparts are particularly essential when we are dealing with shared problems like the transnational drug trade, human smuggling and trafficking, and border management. We will continue to work with Mexico as a partner to address common issues and challenges along the border. As part of our partnership with Mexico, providing assistance—be it technology, training, or equipment—will and must remain central. But assistance is only one part of a larger, comprehensive approach. By deepening our relationship with Mexico, we will enhance both countries' economic competitiveness, security, and safety. The United States' and Mexico's shared goal is to disrupt, degrade, and ultimately dismantle transnational criminal organizations operating in Mexico and the criminal infrastructure that facilitates their illicit activities—which will benefit both U.S. citizens and the people of Mexico.

While challenges remain, we believe there is a strong foundation of cooperation upon which we will build. The United States and Mexico will continue to work together to secure the legitimate flow of goods and people—segmenting those flows so we can focus law enforcement resources on the people or goods we know are dangerous or about which we know the least.

DHS appreciates the support Congress has shown for our work, and for its support of the United States' relationship with Mexico through the Mérida Initiative. We look forward to

working with Congress as we realize the border vision. Thank you again for the opportunity to testify. I am happy to take any questions you may have.

Mr. MACK. Thank you very much, Ms. Silver.

And I now recognize myself for 5 minutes for questions.

First of all, let me make this perfectly clear. The people of the United States and the people of Mexico have a shared interest in this. The people of Mexico and the people of the United States have similar desires, and that is for the ideas of freedom, security, and prosperity. And this hearing today is to get at some of the questions about where we have been, which have been documented, but if we have diagnosed the problem correctly and what do we do moving forward.

So first, let me ask just kind of a baseline question here for all of you. And, hopefully, I can get a yes or a no. I know that might be difficult for some of you, but please try.

Have the drug cartels in Mexico evolved in their criminal activities and level of violence since 2007?

Ambassador?

Ambassador BROWNFIELD. I'll start, Mr. Chairman. They have evolved. They are different cartels than they were at the start of this process. They are smaller. They are more numerous. They are more diverse. And as a consequence, they are a different kind of strategic and tactical problem to address than they were 4 years ago.

Mr. MACK. Thank you.

Mr. Benson?

Mr. BENSON. Yes, Mr. Chairman. We have seen an evolution, expansion. Some of those cartels splintering and then essentially creating more criminal groups that we are targeting.

Mr. MACK. Thank you.

And Ms. Silver?

Ms. SILVER. Yes, I would concur with that. They are definitely more fragmented. We have many more on the ground, small groups. And so, as Ambassador Brownfield pointed out, the law enforcement challenge is different.

Mr. MACK. Okay. Ambassador Brownfield, according to the CIA, and I quote: "Insurgent activities include guerrilla warfare, terrorism and political mobilization such as propaganda, recruitment and international activity." Do you agree that the cartels in Mexico are engaging in the activities listed by the CIA?

Ambassador BROWNFIELD. It's a label, Mr. Chairman, but I will not question whether certain members and certain organizations are doing certain things. Although to be honest, I could probably make the same comment about organizations in the United States as well.

Mr. MACK. But you don't deny that the cartels are engaged in guerrilla warfare, terrorism and political mobilization such as propaganda, recruitment and international activities?

Ambassador BROWNFIELD. I accept that individuals of some of these organizations are doing at some time and in some places this sort of activity. I do not suggest it is systematic nationwide or institutional.

Mr. MACK. We have a slide here. Guerrilla Warfare. So you have got examples of Mexican Federal police officers attacked in Mexico.

Next slide. Terrorism. You have a gunman who killed 52 people and burned the Casino Royale in Monterrey, Mexico. And I believe the President himself indicated that that was terrorism.

Political Mobilization. You have a candidate for governor who was assassinated in June 28, 2010. You have political protests. Increasing pressure and awareness surrounding the war on drugs.

Again, next slide, Propaganda and Recruitment. You actually have the cartels holding fairs and providing food and drinks and music, happy children's day and at the same time recruiting and offering better pay and health care. So I think that would go toward that.

And then you have International Activity, which we have all talked about here today.

So, I am having a little bit of a hard time understanding the reluctance in saying that the activities that the cartels are showing do fit the definition the CIA talks about activities as an insurgency.

Ambassador BROWNFIELD. I don't question your facts, Mr. Chairman, nor do I question your motivation. You and I have exactly the same objective in mind here. If on the other hand, you are asking me do I see exactly the same thing here as I see in other parts of the world that we have described as an insurgency, obviously they are different.

Mr. MACK. Ambassador, I am not asking about other parts of the world. I am asking specifically about whether or not the cartels are partaking in an insurgent activity as outlined as we just did.

The last question here. The Department of Homeland Security and the Department of Justice are addressing some of these newer concerns such as drug trafficking financing in the United States and Border Protection programs, but separate from the Merida Initiative. Would it not make sense to have a coordinated U.S. strategy to meet strategic U.S. goals in Mexico?

Ambassador, if you want to take a quick shot at that?

Ambassador BROWNFIELD. Sure, although we would have to work our way through just as you do when you are melding what your subcommittee does with what Mr. McCaul's subcommittee does. We have to address those same issues as we are dealing with a foreign issue and a domestic issue.

But the answer to your question is yes.

Mr. MACK. All right. Thank you, Mr. Ambassador. So you agree that there has been an evolution in the activities in the violence by the cartels. You can agree that there has been insurgent activities in Mexico from the cartels. And that we need to have a coordinated U.S. strategy to meet the strategic goals.

Mr. Benson, do you agree with that?

Mr. BENSON. Mr. Chairman, I think right now we have a very robust interagency targeting effort as we target Mexican organized crimes and their cells here domestically. And that intelligence that is generated is shared very timely to our counterparts in Mexico. And our goal obviously being able to impact the largest piece of the organization as possible, and we continue to do that as the Ambassador mentioned on some of these captures that we have had over the last couple of years. Unprecedented numbers of high value targets of cartel leadership that has created these smaller groups has been a great success.

Mr. MACK. Thank you, Mr. Benson.

And my time has expired. I would now like to recognize to Mr. Engel for 5 minutes for questions.

Mr. ENGEL. Thank you very much, Mr. Chairman.

You know, again, I do not want to get into semantics, but I just think that it is important that we define these things.

I want to read something that Mexican Ambassador Arturo Sarukhán wrote on April 11th of this year in the Dallas Morning News, and I quote him:

“These transnational criminal organizations which operate in both our countries are not terrorist organizations. They are very violent criminal groups that are well structured and well financed. They pursue a single goal. They want to maximize their profits and do what most businesses do: Hostile takeovers and pursue mergers and acquisitions. They use violence to protect their business from other competition, from other competitors, as well as our two governments’ efforts to roll them back. There is no political motivation or agenda whatsoever beyond their attempt to defend their illegal business. Misunderstanding the challenge we face leads to wrong policies and bad policy making. If you label these organizations as terrorists, you will have to start calling drug consumers in the U.S. financiers of terrorist organizations and gun dealers providers of material support to terrorists.”

So I am wondering, and we can start with Ambassador Brownfield, could you discuss the implications of labeling the Mexican DTOs as terrorist groups? Do you agree with Ambassador Sarukhán?

Ambassador BROWNFIELD. Ambassador Sarukhán, obviously, is a very wise man. He does not speak for the United States Government or for me. He does speak for the Government of Mexico.

I think his reasoning is pretty sound, Congressman. And that is to say that we have to look through just the label and we have to think through what the implications of the label would be.

I agree with virtually all the suggestions that the facts are consistent with the label. I then say that is only half of our job, the next half is to assess what is the implication of us making this determination? Does it have domestic legal implications? Does it have implications that are political in nature? What does it give us that is more than we already have? These are the questions that I think we should ask, as well as whether the specific acts of these organizations are in fact consistent with the acts of insurgency or of a terrorist organization.

Mr. ENGEL. Mr. Benson?

Mr. BENSON. Sir, in my career I have targeted Mexican organizations operating on the border, up on the north border across in the southeast, the northeast it has been targeting of organized criminal gangs, cartel representatives and linking that back to those leaders back in Mexico. We do clearly show our intelligence that we generate here in the United States and as we target, they are clearly taking direction from their leadership south of the border.

Mr. ENGEL. So is Ambassador Sarukhán right? Do you agree with his statement that I read that he wrote?

Ambassador BROWNFIELD. As a career Special Agent I view those Mexican trafficking groups as organized criminals, organized crime.

Mr. ENGEL. Ms. Silver?

Ms. SILVER. From our perspective at DHS, we also view them as organized crime. And our interest is less in the semantics, as you say less in the label but what the label implies operationally for us. And for us we find that the law enforcement tools that we have are best suited to the job that we see it as.

Mr. ENGEL. Thank you.

The original statement jointly issued by the U.S. and Mexican Governments in October of '07 announcing the Merida Initiative, and I remember it very well because I chaired this subcommittee then, said that reducing demand in the United States is a major goal of the program. Without demand in this country it is clear that there would not be a significant narco/criminal problem in Mexico, Colombia or elsewhere. Since FY '04 spending on demand reduction has increased \$2 billion. But why are we not doing more to reduce demand for illicit narcotics in the U.S.? Are we living up to our original commitment under the Merida joint statement to fight demand? And if we do not deal with demand at home, are we not treating the symptoms and not the disease?

Ambassador?

Ambassador BROWNFIELD. I will start on this, Congressman, although as you know I look externally as opposed to internally.

Obviously, it is a very simple matter to say if there is no demand, there is no supply because you are not supplying any demand. It is much more complicated than that, as we all know. We have been addressing this internal drug consumption problem in the United States in a serious way for nearly 50 years. We have not been sitting on our hands. We spend more money on this than I think any other nation on the planet. It has integrated into our domestic policy.

And, I would offer a foreign affairs suggestion as well. Let us not assume that when the day arrives that we have solved our drug problem, the foreign drug supply problem is going to disappear. It will not. Evidence Exhibit 1 is U.S. cocaine demand has reduced some 50 percent over the last 6 or 7 years. Has the production of cocaine disappeared 60 percent? No, it has not. The producers have sought out new markets and it goes to additional locations. They are in it for the money and they will create markets if markets are denied to them.

Mr. ENGEL. I guess my time is up. I do not know if anyone just wants to jump in quickly.

Mr. MACK. Does somebody have a quick answer to this?

Mr. BENSON. I would just say that we have a primary enforcement arm, but there is that constant of time frequently where agents are going to our local schools and many, many outside events on demand reduction. Because that, obviously, is an important component as we look at the drug abuse problem in the U.S.

Mr. MACK. Thank you, Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman.

Mr. MACK. I now recognize Mr. McCaul for 5 minutes for questions.

Mr. MCCAUL. And thank you, Mr. Chairman.

Let me first commend all three witnesses for your dedication and service to this country in a very challenging time.

I think we do not pay enough attention to this issue. I know, Ambassador, you are the expert and you have been on this issue for decades. You were an Ambassador to Colombia. And we recently went down to Colombia to visit with the President down there to talk about what worked and what did not with Colombia. And we do know that one of the things that President Clinton did was designate the FARC as a foreign terrorist organization.

And I think it is important to point out this is more than just a label. It is not just a label. It is a designation that provides authorities. It is a designation that provides tools to combating them by freezing bank assets in the United States, by prosecuting with a 15-year enhancement for anybody who aids and abets a terrorist, by allowing us to go after—unlike the Kingpin which only you go after the head—this allows you to go after the body of the organization. In addition, it does not have to be just a portion of the United States, it could be a foreign national which I think is critical. So jurisdiction is beyond the United States.

And I just wondered your experience, Ambassador, in being down there in Colombia and watching that successful operation, with this foreign terrorist organization designation, can you tell me whether that was helpful?

Ambassador BROWNFIELD. A very fair question, Mr. Chairman. And I will offer you a couple of observations.

First, I have absolutely no objection to having placed the FARC, the ELN and at that time the AUC, the paramilitaries, on the FTO list. I participated in that process in 1999/2000, and I believe 2001.

It was helpful to the extent that it got at their support network. I do not think it had a direct and immediate impact on them inside Colombia because the guys that were in the camps and jungle, obviously, were not worried a great deal about their designation. But their external support structure was in fact effected. And in fact, their external support structure was small enough that you are able to verify who they were and go after that. That was helpful.

Being able to call them terrorists was helpful.

Being able to asset every time we talked about the hostages that they were keeping in jungle camps and referring to them as terrorist was helpful.

Being able to say that we, the European Union, the Canadians and there may have been one other government, had all put them on the same list was helpful.

I do not deny it: It was helpful in Colombia and I do not and I have said it once and I will say it again, you and I have exactly the same objective. The question is: How are we going to get there?

Mr. MCCAUL. And I think that is a fair assessment.

The definition of “under Federal law” is to intimidate or coerce a civilian population or government by extortion, kidnapping, political assassination. You know, when I look at what is going on down there, it seems to me they fall squarely within that definition. I mean, maybe it is semantics, Mr. Engel, but I do think this law would provide additional authorities to help President Calderón win this war. He described the violence in his country as a chal-

lenge to the state, an attempt to replace the state. That sounds much more than just organized crime.

And in the recent casino fire he says that we are facing true terrorists.

So, Mr. Benson, I appreciate everything you do with the DEA and your agents, particularly down in Mexico and Central America. I mean, they are really in the line of fire.

In your testimony you have under here, "The Threat to Governance. Those who organize, finance, direct and control drug trafficking thrive in areas where government control is weak." We know that they are looking, just as the Taliban and al-Qaeda does, for failed states. I would argue that Guatemala is on the verge of being a failed state.

When we were in Mexico City, 25 farmers' heads were cut off that day. This is real stuff. And it seems like everyday we are hearing about some new report. And they are looking for safe havens. They are looking to manipulate the governments.

In your testimony you said, "More troubling is the fact that many of these brutal murders were committed with the specific intent to intimidate the public and influence the government to suspend action against the cartels." To intimidate the public and influence the government. Again, going back to the definition under Federal law, to intimidate and influence. They terrorize civilians. They terrorize the Mexican people. There is no question about it.

The example of the school bus, trying to extort money from teachers and throwing heads in the front of the school. You know, this is beyond some of al-Qaeda's worst tactics. There is a real problem down there.

And I guess the debate we are having is how best to handle that. I want to allow you, Mr. Benson, to respond.

Mr. BENSON. Sir, I agree they are attempting to instill fear in the public because they want to try to instill this fear on the public to prevent the government from increasing their operation tempo and targeting. The government is having a continued success and so they are reverting to these vicious acts to instill that fear.

So in my opinion we need to keep that operational tempo going forward both in the United States and in Mexico, what we are doing now and those successes that I have highlighted. Because if we continue attacking their leadership in both countries simultaneously with that information flow going back quickly, that will result in positive success down the road.

Mr. MCCAUL. I agree with you that partnership is key.

I do not know if we are going to have a second round. Are we? Okay.

Just for the record, I would like to put into the record the response from the Dallas Morning News to the letter described by Mr. Engel. It was very interesting that these are not just businessmen trying to make money. They are more than that; they are killers and they do terrorize.

And with that, I yield back.

Mr. MACK. Thank you, Mr. McCaul.

I would now like to recognize Mr. Keating for 5 minutes for questions.

Mr. KEATING. Thank you, Mr. Chair.

Ambassador Brownfield, you made reference to the fact that Merida is in transition and we have moved from equipment and good to training, and I just want to ask a question in that regard and also make aside that in 2010 we withheld 15 percent of Merida funds pending compliance of some basic human rights.

I'll jump to this because I think it's more important for me. To what extent do you think the people in local communities, particularly indigenous communities, feel comfortable going to the Mexican military or the police to report crimes?

Ambassador BROWNFIELD. Congressman, obviously it will depend upon the community and there is a difference between the military and the police. The military does not tend to be local. They obviously have come in from somewhere else for the mission of whatever duration. The police are local and are members of the community.

And in some communities in Mexico, I would say to you that probably the community is very uncomfortable reaching out to the authorities seeing them as part of the problem rather than part of the solution. In others, I suspect that is different.

One thing that I would suggest to you fairly strongly, however, is that since the Merida Initiative more Mexican communities have seen their law enforcement and military as part of the solution rather than the problem then they did before Merida.

Mr. KEATING. Thank you. And I just want to follow-up, too. How have women been impacted by the violence of the drug cartels and by cases also Ines and Valentina where the very forces that were supposed to protect them harmed them and then ignored the allegation of rape?

Ambassador BROWNFIELD. A two-part answer for a two-part question.

In my judgment women have been inordinately affected by the drug cartels in their attempts to intimidate through violence, through extortion, through threats the communities and the institutions because of the belief that by threatening the female population they will have greater impact than threatening, killing or otherwise abusing males.

The second part of your question deals with the institutions that are supposed to be protecting them. And, obviously, every time that you have a case, an incident in which the institution that is held responsible for protecting that community in fact go to the dark side and becomes part of the problem, you've taken a giant step back that it takes years sometimes to restore the confidence in the institution.

Mr. KEATING. Yes. Do you think that withholding funds specifically geared to that would be a deterrent to that? What's going to change that?

Ambassador BROWNFIELD. I'll offer you my view with which you have every right not to agree with completely. Congressman, in my judgment there are many ways to attack this issue. Some of them are direct and blunt and frontal, and that is to withhold funding until or put specific training components into the program that says you will be trained on human rights, you will be trained on respect for women and children, whatever that may be.

Part of this is indirect. You build institutions, prosecutors, and even special courts that are designed specifically to address this issue.

But in my personal opinion the most important thing we can do is professionalize across the board throughout the nation Mexican law enforcement. When you have more professional, more competent, better trained law enforcement officers, just trained in law enforcement, they are far less likely to commit that sort of abuse. And that kind of cuts against holding too much of the funding in abeyance, because that 15 percent is obviously 15 percent that for that period of time is not being used for that training purpose. I swing either way, it depends upon the day and what I had for lunch.

Mr. KEATING. Well, none of that will do any good if we don't have oversight that's going to bring this to the surface. What are we doing and American taxpayers are funding many of these initiatives, what are we doing to make sure this is being rooted out and we discover this and then through training or maybe other actions, withholding money and other actions, we could deal with that? I know I'm only leaving you about 25 seconds, but I want to ask you about that oversight; how are we going to find that out? Are we doing a good enough job in that regard?

Ambassador BROWNFIELD. My own view is I give us about between a C-plus and a B-minus right now, but I would do that with almost any program of this size that we're just getting started. Your problems will almost always occur in the first 2 or 3 years of your massive program. And I don't care if you're talking about Afghanistan, Iraq, Pakistan, Mexico, Colombia, that's where you're biggest number of problems are.

We're out of that period right now. You have a right to ask of us what is our specific evaluation and oversight mechanism, and I will tell you that I believe that that is our challenge for this year that we're still in and next year.

Part of the problem that we have to work our way through is how we work this with the Government of Mexico, because at the end of the day these are their institutions, their police, their military.

I actually hope you will call me up and haul me over the coals in another 6 months time on just that issue because I am in fact hopeful we're going to have a much better, clearer and more precise story to tell by that time.

Mr. KEATING. Thank you. And since I'm over my time, if you could in writing forward to me not just the grade but what actions and oversight you're going to implement and then we'll look at the grade afterwards.

Thank you.

Mr. MACK. Thank you, Mr. Keating. And just for the record, Mr. Ambassador will be happy to call you back and rack you over the coals.

Ambassador BROWNFIELD. Bless the—

Mr. MACK. I would now like to recognize Mr. Bill Bilirakis for 5 minutes for questions.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it very much.

To the panel, for several months now I've expressed my deep concern regarding reports that the administration participated in multiple acts of gun walking, such as we've seen, of course, in the case of "Fast and Furious," allowing firearms to pass into the possession of criminal and other third party organizations south of our border. I strongly support efforts to disrupt criminal syndicates that traffick firearms, and of course drugs, and conduct other illicit and illegal activities. However, when those efforts serve to fuel the operations of criminal enterprises through the provisions of firearms, they must be stopped.

It is extremely troubling that the United States Government will willfully allow weapons to be acquired by dangerous criminals and drug trafficking organizations in direct contravention to our strategic and national interests.

Can the panel please explain for the committee what efforts your agencies are currently taking to enforce current laws and to ensure that we are not allowing weapons to fall into the hands of Mexican drug cartels and criminal organizations?

Mr. BENSON. Congressman, when I look at drug trafficking, and drug trafficking and violence go hand-in-hand, and as we target those cartel representatives whom are deployed to the United States, we encounter weapons frequently and we seize those weapons. And we do that continuously throughout operations throughout the country.

Ms. SILVER. Also, thank you for the question.

From the DHS point of view, obviously we are constantly on the lookout in the southwest border and in the region for weapons that are south bound. We have instituted checks of rail and of cars that far outstrip anything we've done in the past for exactly that reason, and we'll continue to do so.

Ambassador BROWNFIELD. And finally if I could add on, from our end, Congressman, and that's the external side, what we do on the southern side of the border. We are working to support both training for Mexican law enforcement and military in terms of identification of and how to do investigations of illicit firearms and illegal firearms. And second, we support tying them in to our own electronic tracing systems that we have, whereby we can track through serial numbers and other identifying data a firearm to give the Mexican institutions access to that same system.

Mr. BILIRAKIS. Thank you. The safety of our men and women in uniform remains, obviously, my concern and I'm going to demand that those who are on the front lines of this battle get the training, resources and support they need to do their job as safely and as effectively as possible.

We must act decisively to gain operational control of the border. To do anything less would be a disservice to our Border personnel and leave the door open through which criminals, drug smugglers, human traffickers, and terrorists can destroy the fabric of our society.

While the Merida Initiative involves bolstering the effectiveness, accountability, and professionalism of Mexican police at the Federal level, corruption among local police forces is consistently cited as one of the key reasons as to why the drug cartels are able to continue exporting their product to the United States. Whether

they turn a blind eye or actively work for the cartels, corrupt police officers enable the drug gangs to remain a national, as opposed to a regional, threat.

My question on this matter is twofold. How does the Merida Initiative address the issue of corruption among the local police officers? If Merida does not address this issue, what plan of action would you recommend to this committee to counter the crippling influence of corrupt police officers, corrupt police forces on what the Initiative is trying to accomplish? A question for the panel.

Ambassador BROWNFIELD. Let me start, Congressman, and I'll start by the last sentence that I offered in my oral statement, and that is it took us many years to get into this situation, it's going to take some years to get out. And corruption clearly falls in that category.

What are we doing right now? First, we are attempting to professionalize first the Federal police forces and increasingly in the future, the state and local police forces, because a professional law enforcement institution is less likely to be corrupt than a non-corrupt one.

Second, we are supporting the development of internal investigatory capability; the equivalent of an IAD in a U.S. or municipal or state or Federal police institution. These individuals within the police force whose job is to monitor, investigate and if necessary, sanction corrupt members of the institution.

Third, we are trying to work to ensure that they have salaries that you can actually live on. If your salary is \$15 a month, it is highly likely that you will try to supplement that through external month. If your salary is a \$1,000 a month, it's at least \$985 less likely per month that you will try to supplement it.

And finally, we are working with the Attorney General's Office of Mexico and will increasingly work with the State Attorney's General to ensure public prosecution that becomes visible to everyone in the community of corrupt officials and officers that thereby sends a signal that corruption will not be tolerated.

Mr. BILIRAKIS. Well, how much progress have we made in this area, though?

Ambassador BROWNFIELD. I would say it depends upon where you are and what the institution is that you're dealing with. But I will talk about the one that I believe has seen the greatest progress in this regard, and that is the Federal Police of the SSP, an institution that before the Merida Initiative totaled about 6,000 is now nearly 40,000. And my own personal opinion is that this is an institution that is much more highly regarded for its professionalism, and by the same token its relative honesty than it was 4 or 5 years ago. If we could get to that level in the 32 states and hundreds of municipal institutions, I would suggest to all of you, ladies and gentlemen, that we have made some real serious progress.

Mr. MACK. Thank you, Mr. Ambassador.

I would now like to recognize Mr. Rohrabacher for 5 minutes for questions.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. And I appreciate this hearing. We need to pay attention to Mexico. I have been in and out of Mexico since I was a kid. I am a southern Cali-

fornian. Spent a lot of time in Baja and lived with a Mexican family, actually, for several months when I was in college. And it seems that since that time—which at that time Mexico was a very pleasant place, the people were very wonderful people—it just seems that this horrendous cloud has come over our neighbor and is now enveloping these wonderful people.

I want to suggest that law enforcement—I mean, basically what I am hearing today is that law enforcement is going to be the answer. I would just like to suggest to you I do not think that is the case. I do not think you are going to solve the problems down there with law enforcement.

We have been trying to bolster. We have had military groups that we have bolstered and then have turned against the authorities and joined the cartels. For 20 years now we have been trying to suggest that cooperation of law enforcement can solve this problem, yet it has gotten worse and worse and worse.

Let me ask you a little bit about something that was just brought up. Did any of your agencies know about the “Fast and Furious” operation that saw that thousands of military-style weapons transferred from our Government into the hands of the cartels, including high caliber sniper rifles? Did any one of your organizations know about that operation prior, as it was going on and it was being instituted?

Let us go right down the line. Did you personally know about it and did someone in your operation know about it?

Ambassador BROWNFIELD. I did not, and to the best of my knowledge no one in my part of the U.S. Government did.

Mr. ROHRABACHER. Okay. So nobody from the Bureau of International Narcotics and Law Enforcement Affairs knew about “Fast and Furious” is your testimony today?

Ambassador BROWNFIELD. I became aware of it at the same time that it hit the media.

Mr. ROHRABACHER. Okay. What about Drug Enforcement Administration?

Mr. BENSON. Well, Congressman, currently we are working with those committees that are investigating that matter. At this time that would be the comment I would make.

Mr. ROHRABACHER. Okay. So your comment is that you are not going to comment on a direct question about whether or not your agency knew about “Fast and Furious”?

Mr. BENSON. My comment would be is that we are working with those subcommittees that are investigating “Fast and Furious.”

Mr. ROHRABACHER. Well, this happens to be a Member of Congress who is very interested and you are now under oath, so maybe you could answer the question for me?

Mr. BENSON. That would be my comment at this point.

Mr. ROHRABACHER. Yes. All right. Which is no comment; I find that to be of great interest that your predecessor, I mean your fellow that just spoke, Mr. Brownfield, could absolutely go on the record and say he did not know anything about it and you cannot.

How about you, Ms. Silver, did you know about “Fast and Furious”?

Ms. SILVER. I learned about it in the press when it became when it became exposed to all of you. And in terms of my office, I can say that no one in my office knew about it.

Mr. ROHRABACHER. Okay. You personally did not know anything about it nor did anyone in your office—

Ms. SILVER. I did not.

Mr. ROHRABACHER [continuing]. As far as you know?

Ms. SILVER. That is correct.

Mr. ROHRABACHER. Well, I appreciate that. I just wanted to put that on the record, Mr. Chairman.

One thing, I voted for NAFTA years ago based on the promise that NAFTA would in some way help the economy of Mexico and thus prevent, or at least offer an alternative, to drugs as being a means of earning a living down there. Didn't have a positive impact and can we make these economic agreements and accept that they will have a better impact elsewhere then they've had on Mexico?

And feel free, whoever thinks they can answer that.

Ambassador BROWNFIELD. Congressman, I suppose I should say that we are not the right people to answer that question, however my wife says there is never an issue I should not talk not, that I am not willing to talk about. So, I will have very simple views.

As Congressman Engel knows, I spent 3 years in Colombia, actually trying to make a case for an FTA, which has finally found its way to this institution. So, I will make that basic generic case.

Free trade agreements for the most part are good for the economies for both countries involved. They are good for the economies involved because they allow free trade and commerce to come across—

Mr. ROHRABACHER. Could you compare that to Mexico for us, could you?

Ambassador BROWNFIELD. At the end at the end of the day I do not claim to be an expert on NAFTA, but I would say to you that the logic is that the cost of moving goods back and forth across the border, you produce more trade. By producing more trade, the factories and companies produce more stuff. As they produce more stuff, they employ more people. As they employ more people, their economies grow. The logic, therefore, is the economy grows on both side of the border. That's the logic behind a free trade agreement.

Mr. ROHRABACHER. Right. But it has gotten worse in Mexico since we passed NAFTA, unfortunately. I mean, that is just the observation that we make. I mean, it is inescapable to see that.

But listen, thank you very much, Mr. Chairman.

Mr. MACK. And I thank the gentleman from California.

Next I would like to recognize Mr. Duncan for 5 minutes for questions.

Mr. DUNCAN. Thank you, Mr. Chairman.

And I think we have done a good job exploring this topic today. I want to thank the panelists for being here and for your service to our nation in your various capacity.

I am going to take a little different line of approach here because it is a topic that is interesting to me and we have talked about this many times on the Committee of Homeland Security. And that is the issue of an international terrorist organization Hezbollah and

its involvement with the Mexican drug cartel. Many experts believe that the international terrorist organization Hezbollah and the Mexican drug cartel have been working together for years. And it is well known that Hezbollah and drug cartels have cooperated in countries in Western Africa, South America, Central America and most importantly, the tri-borders region in South America.

U.S. authorities have long described Hezbollah as the A team of international terrorism with far more discipline than al-Qaeda, with vast financing from the Governments of Iran and Syria and a global network of sleeper operatives who could be called on to launch an attack at anytime.

Just last year in July 2010, we saw the first IUD explode south of the U.S. border in Mexico. Since the fall of 2008, at least 111 suspects of Hezbollah-linked international network of drug traffickers and money launderers have been arrested as part of an international operation coordinated by DEA.

And I can go on and talk about the owner of a cafe in Tijuana arrested in 2002, Mahmoud Youssef Kourani, who traveled all the way to Dearborn, Michigan, spent 4 years in prison for conspiring to raise money for Hezbollah. There are just a lot of cases out there.

And so, Mr. Benson, I would ask how much of a priority should Hezbollah be to American counterterrorism policy?

Mr. BENSON. Congressman, as we look at the tie between drug trafficking and terrorism, we do see that around the globe. So I mean clearly for the DEA it is a priority that we look at those organizations and we continue to look at their connection across the globe.

Mr. DUNCAN. And thank you for serving our region of South Carolina where I am from, by the way. I meant to mention that.

However in your activities with DEA, is there any conclusive evidence of Hezbollah's involvement with the tunneling activities of the cartels?

Mr. BENSON. I guess I would say a general statement on the link between drug trafficking and terrorism does exist. I do not necessarily see that to a great degree with the Mexican cartels, but other locations around the world where we see like in Afghanistan or in places like that.

Mr. DUNCAN. Mr. Ambassador, I know you were not necessarily in the tri-border region, but in South America in your service there, the tri-border region, how much emphasis was put on that are during your time in South America and Chile, and also Colombia?

Ambassador BROWNFIELD. You may have left out the third one, where it probably has the greatest focus, and that would be Venezuela.

Congressman, first I believe you are absolutely dead on right to be focused on Hezbollah as a potential threat.

Second, if Hezbollah were to develop operational capabilities in the Western Hemisphere, that would be one real, major serious problem for the United States of America.

Third, I believe as we look at Hezbollah we have to break the threat into two parts. One is kind of the fundraising possibilities that they have, and I actually think there is evidence of that in a

number of countries in South American. The second part of the threat is operational capability.

I at this stage do not see operational capability by Hezbollah in the Western Hemisphere. That said, I do not focus on this issue for a living. There are others who do that, and you would be far better advised to get an opinion from them than from the guy who does organized crime, drugs, rule of law and law enforcement.

Mr. DUNCAN. Yes. Thank you very much.

Ma'am, would you like to chime in on this issue at all?

Ms. SILVER. I think it is has been well covered by my colleagues.

I think from the perspective of DHS, obviously we are constantly looking through our intelligence and analysis branch for those kinds of linkage and for any indication of those kinds of linkages. And we will continue to do so.

Mr. DUNCAN. Thank you, Mr. Chairman.

I yield back the balance.

Mr. MACK. Thank you very much, Mr. Duncan.

I now would like to recognize Mr. Rivera for 5 minutes for questions.

Mr. RIVERA. Thank you very much, Mr. Chairman. And thank you to all the witnesses for being here today.

I want to try to hone in on this issue of Mexico and its ability to carry out primary responsibility in protecting its citizens, and also the impact that the diversification of criminal activity and criminal organizations in Mexico, what other types of criminal insurgencies against the state may be developing or whether they are making headway.

I am wondering if perhaps all three of you could comment your thoughts on the drug cartels in Mexico and whether they have indeed diversified into a variety of illicit activities and what that comprised?

Maybe we can start with Secretary Brownfield.

Ambassador BROWNFIELD. Sure, Congressman. And I will give you my answer filtered through not just my experience of the past year dealing directly with the Merida Initiative in Mexico, but the prior 3 years when I was in Colombia.

As I suggested in an earlier answer, I believe what is happening in Mexico is the larger cartels are taking serious, they are breaking up to consider extent. There are now more organizations but small in nature, less national and nationwide in scope and more regionally focused. So whereas previously you would have had X number, maybe now you have three times X number, but each one of those organizations is smaller.

Mr. RIVERA. And would you agree as well that their illicit activities have moved beyond just drug trafficking?

Ambassador BROWNFIELD. First, I think they have expanded their drug trafficking in terms of what they are willing, able, and capable of doing. I could say it is no longer just cocaine if they can also make money out of methamphetamines, out of heroin, or out of other products they do. They can use the same networks, they can use the same people, they can use the same institutions, they can use the same logistic systems to move product. If they are moving it in a criminal enterprise, to a certain extent it does not matter what is in the truck, the plane, the boat or the backpack; if

they can make money by moving it, they can and they will. And to that extent, I suppose my answer to your question would be yes. I do see some signs of diversification.

Mr. RIVERA. Administrator Benson, your thoughts on if there has been some diversity of illicit activities or an evolution of illicit activities?

Mr. BENSON. Yes, Congressman. We have seen the same evolution as well. I mean, they have transitioned over a period of time from marijuana traffickers to cocaine traffickers. They basically pushed their operations and the Colombians have receded over the last decade, two decades where now you have Mexican organized crime. I mean they are the wholesale distributors in the United States with methamphetamine, cocaine, marijuana, and heroin. But then also as we have impacted their leadership in Mexico, they have then diversified as well into other revenue streams; kidnaping, extortion and a number of other crimes as well.

Mr. RIVERA. Secretary Silver?

Ms. SILVER. Congressman, certainly we see the same, both the fragmentation and some of the diversification both across the narcotics spectrum and then we also have a significant concern about human trafficking and human smuggling and engagement in that on the part of some of the criminal organizations and we are focusing some significant energy on that as well.

Mr. RIVERA. Well, I would hope that if there is indeed this evolution or diversification of the illicit activities with respect to the drug cartels moving beyond just the drug trafficking even if the drug trafficking perhaps has moved to different forms of trafficking and different forms of drugs, then I think it is important as we go forward that we also look at diversifying our strategy as well. If it is not just drug trafficking, if it includes human trafficking and smuggling and other activities, then I think that is something that would perhaps concern many Members of Congress to make sure that the administration as we go through looking at the genesis of the Initiative and what was its primary responsibility at the beginning and what the threat was at the beginning of the Initiative, if that threat has indeed changed and if the illicit activity has diversified or evolved over the years, that we would make sure and focus in on that as well, and be responsive to the changing threats of the illicit activities.

So, I will yield back my time, Mr. Chairman.

Mr. MACK. Thank you very much, Mr. Rivera.

I would now like to recognize Mr. Cuellar for 5 minutes for questions.

Mr. CUELLAR. Thank you very much, Mr. Chairman.

I want to thank both of you all and the ranking members for allowing me to sit here.

Assistant Secretary Brownfield, good seeing you again.

For 175 years, the U.S. and Mexico have held strong relations, you know signing several treaties, sharing various membership in international organizations. We share a maritime border and a land border with them. Every day there is \$1 billion of trade between the U.S and Mexico.

Would you agree that the current relationship between the U.S. and Mexico is at its strongest and most positive point that it has ever been in the last 175 years?

Ambassador BROWNFIELD. Congressman, as you know, you and I come from the state, and I would use exactly those words. I believe the bilateral relationship right now is unprecedented in terms of the willingness of both governments to work together in the face of a long history of complications.

Mr. CUELLAR. Would you agree that we should be working with our Mexican partners to bring them in closer, especially with all the examples that have been given them or should we be pushing them away by going into what names we ought to call them or the groups that are working there?

Ambassador BROWNFIELD. I would never offer an opinion direct or indirect on what other members of these two distinguished committees have suggested.

I would say to you, as I said in my opening statement, that if we cannot reach basic agreement with the Government of Mexico, our efforts probably will not succeed. It has to be cooperative. They have to agree with what we are trying to do. If not, we are unlikely to succeed.

Mr. CUELLAR. And this is more for Mr. Benson.

If drug cartels were designated as terrorist organizations, and consider that they are dealing in a couple of hundred cities in the U.S., how do we deal with U.S. citizens who purchase drugs from them? And if somebody purchased a bag of marijuana for personal consumption, will he be charged with aiding and abetting a terrorist? I am sure we will catch somebody because we send what, \$25 billion or \$30 billion of monies down to Mexico? I mean, would that be a possibility?

Mr. BENSON. Well, as I look at it, Congressman, from an organized crime standpoint, I believe our authorities, our Federal narcotic laws are sufficient to address the trafficking problem that exists now.

Mr. CUELLAR. You didn't answer my question. So I guess you are saying that we do not need to go into—and I am one of those that I believe in law enforcement. I've got three police officers in my family. When it comes to law enforcement, just as I like to listen to our generals in Iraq and Afghanistan, I want to listen to folks who are doing the day-to-day. So I certainly would agree with your assessment on that.

Let me ask you a specific question. The U.S. and Mexico got into an Initiative, or whatever, that established multi-national, multi-agency intelligent centers, and one has been established that is called the Regional Intelligence Operation Coordination.

My understanding is that the U.S. Government designated one agency, which you might be familiar with, to take the lead on this and they designed a Mexican agency to take the lead on this. According to the Mexican agency on that fusion center, there's been about \$10 million have been spent for equipping and staffing the U.S. participant agencies at this regional intelligence agency, which is good. But according to the Mexican agency where the plan Merida is supposed to be putting the money, they are saying that they still have not gotten any of that money. They are saying they

have not been equipped, they have not been trained. And again, there are two sides to every story, but I am just saying what the Mexican Government who was designated to help establish this center, they are saying that they have not gotten any of that. That all the \$10 million has gone to equip the U.S. agencies, which again I am okay with but are we forgetting our Mexican partners on this?

Mr. BENSON. I think as we look at exchange of intelligence, Congressman, it is very robust as I mentioned earlier.

Mr. CUELLAR. Do not mean to interrupt you. I am not talking about exchange of information, how robust. I know we have the best relationship. Just answer my question: The money that has been there, around \$10 million, \$9 or \$10 million, has any of that been spent to help equip the Mexicans who are training at the fusion center for the one that is operational now? Just say or no.

Mr. BENSON. I do not know exactly the monetary figure. I really could not answer that. I do not know the answer to that question.

Mr. CUELLAR. All right. Well, let me restate this a little bit, because my time is up. Is there any reason to doubt the Mexican agency that was given the lead just like the American agency, is there anything there that would question the statements that they made that you know of?

Mr. BENSON. I do not have information to answer that, sir at this time.

Mr. CUELLAR. Okay. All right. Thank you very much. Thank you, Mr. Chairman.

Mr. MACK. Thank you very much. We appreciate it.

And if the witnesses do not mind, we would like to ask a few more questions and give the members an opportunity for another round and taking the Ambassador up on his offer.

I would now recognize myself 5 minutes for questions.

You know, I think this is an important hearing. And, you know it is interesting. So some of the take-aways right off the bat is that there is not a lot of disagreement in things like the evolution of the drug cartels, that the activities that the cartels are engaged in meet a definition by the CIA of activities that are insurgent activities.

But I wanted to, before I get into that, I wanted Ambassador Brownfield, in answering some questions earlier you posed three questions to the committee that you would suggest asking. And the first one is, what would we get by using a label or the terminology designation? And I would say this: That with criminal insurgency it would allow us to develop a countersurgery strategy that pulls all U.S. resources together for a comprehensive and effective response to the reality on the ground and increase awareness in the U.S. of the threat of the threat we face. That's one.

The second question: What are the domestic legal implications of this? And the answer to that is there are none.

And third: What impact would the designation have on programs on the ground? And I think what my suggestion is is that this would simply be utilization of the good U.S./Mexico relations to simultaneously address the threat on all levels.

So, I think for me, and I think for a lot of people, this isn't as much as saying that Merida has failed. There has been some suc-

cesses in Merida that you cannot deny and that are good things. But as we look forward, if we continue to kind of make the determination not to label what is happening in Mexico as it is, it also hamstringing our ability to confront the challenges because we are not properly identifying what those are.

Mr. Benson, in your written testimony you talked about the evolution and some of the cartel's activities here in the United States. Would it not be helpful if the Treasury Department, all of the agencies, a whole of government approach, do you not think that would be helpful in completing your task?

Mr. BENSON. Chairman, we do that now. We leverage every department in the U.S. Government across a number of different agencies as we target their leadership here in the United States and in other countries. So, as we look at their money flow, for example, as we look at their movement of drug loads back and forth across the border, their movement into countries it is across many different department and agencies where we're impacting those organizations.

Mr. MACK. So the cooperations there, you do not need anymore help. You have got everything you need?

Mr. BENSON. Well, I think the authorities that we have are sufficient to tackle and battle Mexican organized crime.

Mr. MACK. Right, but how about to battle an insurgency?

Mr. BENSON. As I said, Chairman, I believe our Title 21 authorities that we have, our Federal narcotics statutes are sufficient to target the cartels and their leadership.

Mr. MACK. And I think this gets back to the point of the definition and why it is important to define what it is that we are challenging. I mean, most people recognize that the cartels' activity has gotten worse, that they are using every tool available to displace government. I mean, they are offering health care and other things to the citizens in the Mexico to try to gain favor. And so if you just want to go after it as a drug enforcement policy, then I would say "Okay, you have the support you need from some of these other departments." But if we describe what is happening as it is, as an insurgency, there are a lot of other tools in the toolbox to be used and we cannot continue to sit back and watch the growth of these cartels and their criminal insurgent activities in Mexico because it put not only the people of the United States at risk, our freedom, security and prosperity, but also the people of Mexico, their freedom, security and prosperity.

My time has expired.

I would now recognize Mr. Engel for 5 minutes for questions.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

I want to just talk about Merida. But before, I just want to comment on something Mr. Duncan said about Hezbollah. I think it would be good for us to, perhaps, get a briefing down the line about it. There is a flight, a plane, that has been going from Iran to Syria to Venezuela and back every week. We do not know who is on it. We do not know what is on it. But you can believe that it has some Hezbollah connection to it. So I think that was a good thing that you raised it and I think we should pursue that more.

I want to talk about Merida. We talked about it initially, and I wanted to just talk about it. When we announced the Initiative in

October 2007, we were told that it would be a 3-year program. And last year we had the announcement of beyond Merida and continued funding to the FY 2011/2012 budget. So it appears that Merida is here to stay, at least for the near future.

How long does the administration plan for the Merida Initiative funding to continue? Should it continue for the foreseeable future or should we start thinking about phasing it out and maybe doing something new?

Ambassador?

Ambassador BROWNFIELD. Congressman, that is a perfectly legitimate question. You have every right to grill us on this question every time we come before you.

My answer once again is filtered through my experience in Colombia, another example of a program where we set out saying it is a 5-year program; we are now wrapping year 12 of the program. But, it is down to a level, it is now about 25 percent of where we were when we started it in the year 2000. That does not strike me as an incoherent way of approaching the Mexican challenge.

The simple and simplistic answer to your question is we are going to deal with the realities on the ground that are presented and we are not going to ask the American people to subject their own security to an artificial timeline and time table. But it should be realistic for you to say to someone like to me “I expect to see a downward glide path. I expect you to have that program at a long term sustainable level in a finite period of time and to force me to give you some sort of estimate as to what that finite period of time would be.”

If you were to really twist my arm really hard—

Mr. ENGEL. I would never do that.

Ambassador BROWNFIELD [continuing]. I would say that you were generous with us for 3 years. We are now into the fourth year. You should expect and you are seeing a reduction in the amount of resources and funding that is being put into the Merida Initiative. You should expect that to continue for a period of time until we mutually agree that we are at a sustainable level. That is the best answer I can give you.

Mr. ENGEL. Okay. That is fine.

Let me ask you some specifics about Merida. The majority of the police in Mexico are at the local and state level. But funding from Merida goes mostly to the military and to Federal security units. We know that corruption at the local and state levels in Mexico is very high. So it is understandable, I think, that President Calderón has turned to the Federal police and the military. On the other hand, most crime takes place at the local and the state levels and those police will eventually need to be professionalized.

So, can you tell me how would you characterize efforts under Merida to assist local and state institutions? And how would you assess the progress that Mexico has made in implementing police reform at the Federal level? And at what point do you think that the government might be able to disengage the military from its present role in domestic security?

Ambassador BROWNFIELD. Thank you, Congressman, I think that is a brilliant question because it leads right into what I call the

transition that we are trying to do right now in the Merida Initiative.

You are quite correct. The first 3 years were focused on the Federal institutions. Our objectives that we set for ourselves this year and next year is to pivot from the Federal institutions to the state and municipal institutions. The way we would hope to do it in absolute and complete agreement with the Federal Government of Mexico which controls and decides everything that we do in Mexico by way of support and assistance is to focus initially on three northern states of Mexico; Tamaulipas, Nuevo León and Chihuahua, which just happened to comprise much of our southwestern border as well. Focus on their state and municipal police, follow-up on the Mexican Government's own system of creating what they call "model police units," which is units of about 422 police officers from each of the 32 states, trained to a common standard, equipped to a common standard with vehicles that are of a common standard so that the Federal Government knows exactly what it is working with if this unit deploys. And train up enough of them to be able to address these issues.

When, Congressman, the police and law enforcement are able to do their job, then I predict we see less military involved in law enforcement which in any country in the world, including our own, is not the mission that they are trained or equipped for.

Mr. ENGEL. Thank you.

Thank you, Mr. Chairman.

Mr. MACK. Thank you very much, Mr. Engel.

And Mr. Mr. McCaul is recognized for 5 minutes for questions.

Mr. MCCAUL. And thank you, Mr. Chairman.

When the chairman and I were down in Mexico City we saw exactly what you were talking about. I think President Calderón believes there is sort of a turning point, which was encouraging. I am not sure if that was reality or not. But his goal was to replace his military with the national police force, which makes sense. And I think his people look at the military cracking down their own country.

He also, there is a high level of trust with the national police and they are all polygraphed.

I wanted to bring up another—we have talked about this, Ambassador, but when we were down in Colombia, President Santos, he talked about his special forces trained by our guys, almost just as good as our guys, assisting Mexico and was very willing to assist in anyway that he could. And we took that message to President Calderón, and he was very interested. And I understand they are providing some training in Mexico. But could you just elaborate on that?

To me, you know a lot of people say why do we not put our military down there. You and I know with the sovereignty issues, we cannot go down there. But I think the Colombian special forces can assimilate better from a cultural standpoint. And it was an intriguing idea I think that we heard on that trip that we thought could provide some assistance.

Ambassador BROWNFIELD. Mr. Chairman, I not only think it is an intriguing, I think it is an excellent idea. It probably would not surprise you to learn that I am a great fan and admirer of what

the Colombian people, their government, and their institutions have accomplished over the last 11 or 12 years. I think they are now quite capable of exporting some of those capabilities through training and support elsewhere in the region. I think it is a net positive for the United States of America to see Colombia engage in this effort together.

I think it is, among other things, an excellent return for our investment of \$8.5 billion or more in support of Colombia over the last 11 going on 12 years.

I think you are absolutely correct. The Colombians have reached a level where I would argue they have capabilities that almost no other law enforcement or military institution has anywhere in the world. And in some issues, I would even stand them up with our own armed forces. I believe in jungle operations, for example, that the Colombians may well at this stage be the very best in the world.

They can make much of this training cheaper. They can do it without, shall we say, the historical baggage that we bring to the U.S./Mexico relationship. They can do it in a common language. They can do it where they are literally sharing real time and real world experience saying "This is what we did when we were taking down the Medellin and Cali Cartels. This is not educational. This is not academic. I am the guy who did it, and this is how we did it."

I think it is excellent value. And may I tell you that I, like you, whenever I am in conversation with either of the two governments, I am trying to encourage this sort of exchange.

Mr. MCCAUL. I think, I mean certainly from Colombia's standpoint, they are very willing to partner. And I think Calderón was very interested in the idea. I think we got his attention on that. And I think that that is something we should a great take-away from the sharing and a positive thing, I think we all can agree on that we can move forward with that in mind.

But I do want to clear up just a couple of things. Usually Henry Cuellar and I are on the same, and we are best of friends. You know, in Colombia when you have the foreign terrorist designation with the FARC, were you ever aware of any casual drug users that were prosecuted?

Ambassador BROWNFIELD. No, not that I am aware. I mean, it could well be there as in here, you know you got a charge sheet of 11 charges and you add on drug use just in case you lose the other 11. But other than that, you are asking if someone was prosecuted solely for that purpose. And, obviously the answer is—

Mr. MCCAUL. Because I think that has been misrepresented by many, and that is not the way it works. But I like the idea, you know the Kingpin statute, they talk about that a lot, and that really goes after the head of the organization, whereas the FTO would go after the body of the organization in a far greater jurisdiction with heavier penalties. I think I am diplomatic. I know this one is not a diplomatic issue. At times with the Ambassador, we have had long conversations about this. But I do think it would provide greater authorities to go after these very dangerous cartels.

And just finally, I mean we did not have any problems with working with Colombia when we had this designation, did we?

Ambassador BROWNFIELD. Not that I'm aware of. Though, to be honest and to be fair to the other side, Mr. Chairman, and I do not want to have an argument with you on this because I believe we are trying to accomplish exactly the same thing.

Mr. MCCAUL. And I agree.

Ambassador BROWNFIELD. But I would remind you in Colombia we never put the Medellin or the Cali Cartel on the FTO list. And I assume there is a reason for that as well. So, I think this is worth more conversation, and I will leave it at that.

Mr. MCCAUL. And it certainly has been a provocative issue.

And thank you for your testimony.

I yield back.

Mr. MACK. Thank you very much, Mr. McCaul.

And Mr. Duncan is recognized for 5 minutes for questions.

Mr. DUNCAN. Thank you, Mr. Chairman.

And, guys, this might be the last question of the day, so I appreciate you bearing with us.

Mr. Benson, as Special Agent in charge of Atlanta's DEA you were reported as saying that the Mexican drug cartels were able to blend right in and establish Metro Atlanta as that strategic trans-shipment point. So my question is how real is the threat of these cartels in American cities, and what other cities are the Mexico drug cartels operating out of?

Mr. BENSON. Well, Congressman, it is very real. As you know, Atlanta is the hub for business in the southeast. And the Mexican cartels recognized that for a lot of the same reason. I mean, you go from the southwest border to Atlanta in about 1,100 miles, a 15-hour trip. And then from there we would see those cartels then push up loads of cocaine, for example, all the way up the eastern seaboard. And then they would also use strategic trans-shipment hubs in Atlanta, Dallas and Los Angeles, and many other places, that then collect money and then push that back down to cartel leadership.

So they have strategically identified locations like Atlanta because it is a good business model for them.

Mr. DUNCAN. Certainly it is a good business model for companies like DHL and FedEx and others where they use hubs to distribute certain things. And if we know that, though, if we know they're using Atlanta and Dallas and Phoenix and some those areas, would that not make it easier to crack down on them?

Mr. BENSON. Yes, it does. And we have hit them in a hard way in places like Atlanta and some of their trans-shipment locations. And what we have seen as we hit them in a place like Atlanta, they then will adjust and make tactical changes in the way they do business. So it is just a matter of us keeping on top of them as they make their adjustments to our enforcement forces.

Mr. DUNCAN. Just one other quick question about methamphetamine. So it is cheaply made, but is it cost effective from Mexico and for a drug cartel to bring meth into the U.S. versus having it manufactured and cooked here?

Mr. BENSON. We see a great deal of methamphetamine on the streets of the United States today. And most of it is produced there. They do produce it, it is inexpensive and they bring up very

large amounts of, for example, crystallized methamphetamine, high purity, that they push out into our streets.

So, I still believe that we will see Mexican organizations supplying the lion's share of methamphetamine to our U.S. market. We will also see those smaller lab operations that support either individual habit or those of a few. But I believe Mexican organizations will remain the primary supply for methamphetamine in the U.S. market.

Mr. DUNCAN. Is it easier for them to get the Sudafed and other ingredients through Mexican channels since we have thwarted their efforts of over-the-counter products here?

Mr. BENSON. Well, they have instituted and they do have some very good chemical control laws in Mexico now. But we have seen those lab operators adjust their manufacturing techniques to use other methods to produce methamphetamine. And I believe we will continue to see that.

Mr. DUNCAN. Thank you.

I do not have any further questions, Mr. Chairman.

I yield back the balance of the time.

Mr. MACK. Thank you very much, Mr. Duncan.

Well, this concludes the hearing.

I want to thank the staffs on both the Majority and the Minority for both the two subcommittees for your hard work in this.

I also want to thank the members who participated today.

And most importantly, I want to thank Ambassador Brownfield and Mr. Benson and Ms. Silver for your time and sharing with us your thoughts on what I think is a very important topic.

So with that, the subcommittee is adjourned.

[Whereupon, at 4:26 p.m., the subcommittees were adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

JOINT SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
COMMITTEE ON HOMELAND SECURITY
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

Connie Mack (R-FL), Chairman
Subcommittee on the Western Hemisphere

Michael T. McCaul (R-TX), Chairman
Subcommittee on Oversight, Investigations, and Management

September 26, 2011

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, and Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov>)**:

DATE: Tuesday, October 4, 2011

TIME: 2:00 p.m.

SUBJECT: Mérida Part Two: Insurgency and Terrorism in Mexico

WITNESSES: The Honorable William R. Brownfield
Assistant Secretary
Bureau of International Narcotics and Law Enforcement Affairs
U.S. Department of State

Mr. Rodney G. Benson
Assistant Administrator, Chief of Intelligence
Drug Enforcement Administration
U.S. Department of Justice

Ms. Mariko Silver
Acting Assistant Secretary
Office of International Affairs
U.S. Department of Homeland Security

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5621 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON the Western Hemisphere HEARING

Day Tuesday Date October 4, 2011 Room 2172

Starting Time 2:31 p.m. Ending Time 4:26 p.m.

Recesses (to) (to) (to) (to) (to) (to)

Presiding Member(s)

Connie Mack

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

TITLE OF HEARING:

Mérida Part Two: Insurgency and Terrorism in Mexico

SUBCOMMITTEE MEMBERS PRESENT:

Connie Mack, Michael T. McCaul, David Rivera, Elliot L. Engel

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not members of full committee.)

Gus M. Bilirakis, Billy Long, Jeff Duncan, William R. Keating, Yvette D. Clarke, Dana Rohrabacher, Henry Cuellar, David N. Cicilline*

HEARING WITNESSES: Same as meeting notice attached? Yes No

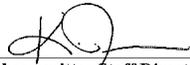
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

Connie Mack: Opening Statement, Criminal Insurgency Documents

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 4:26 p.m.


Subcommittee Staff Director

Chairman Connie Mack
Western Hemisphere Subcommittee
House Foreign Affairs Committee
“Merida Part Two: Insurgency and Terrorism in Mexico”
October 4, 2011

Two weeks ago four expert witnesses testified in this hearing room: two experts explained that an insurgency is raging along our southern border, the other two focused on the fact that violence and crime in Mexico has taken a unique turn and the U.S. response has not followed. All agreed that the situation has evolved and fragmented into violent criminal control over parts of Mexico.

It is clear that today Mexico represents a unique situation requiring the development of its own specific classification to successfully combat the authority of this expanding criminal control. Today I will continue to make the case that Mexico is facing a criminal insurgency.

The attacks on the state are clear, the criminal organizations are capturing the allegiance of the population through economic and social programs, and as they undermine institutions, they have no desire to replace them. This makes the insurgency in Mexico more of a threat to democratic governance than we have seen in other insurgency scenarios.

Furthermore, these transnational criminal organizations are employing increasingly gruesome terrorist tactics to carry out their threats. The potential threat of criminal organizations controlling our southern border creates grave national security and economic implications for the United States. That is why, in 2007, the United States began funding the Merida Initiative to improve the situation in Mexico. Unfortunately, we face more extreme threats and violence from our border region today than we did four years ago.

The Mérida Initiative has been successful in two areas: 1) establishing deeper cooperation between the United States and Mexico, and 2) removing major drug kingpins in accordance with the goals of the Mexican government.

Unfortunately, the game has changed.

The reality in Mexico is that U.S. assistance has lagged while the traditional cartels evolved into diversified, transnational criminal organizations perpetrating insurgent tactics to protect their assets. After four years of the Mérida Initiative, our border region with Mexico is more violent today than it was four years ago.

A reduction in violence, while maintaining a full attack on the criminal organizations and strengthening the institutions to prosecute and punish them, is required in order to regain control.

This is the basis of the counterinsurgency strategy that I outlined in the prior hearing: The United States should support a targeted yet comprehensive strategy that works with Mexico to secure one key population center at a time in order to build and support vital infrastructure and social development for lasting results. The counter insurgency measures must include:

1. An all U.S. agency plan, including the Treasury Department, Department of Justice, CIA, U.S. Immigration and Customs Enforcement, the Department of State, and others to aggressively attack and dismantle the criminal networks in the U.S. and Mexico.
2. Once and for all we must secure the border between the United States and Mexico by:
 - Doubling border patrol agents
 - Fully funding and delivering on the needed border protection equipment such as additional unmanned aerial vehicles and,
 - The completion of double layered security fencing in urban, hard to enforce areas of the border. And:
3. We must take key steps to ensure local populations support the government, and rule of law, over the cartels by promoting the culture of lawfulness.

As I stated before: The current U.S. policy with Mexico does not seriously address the national security challenge we face. It is time that we recognize the need for a counterinsurgency strategy that can combat the evolution and resilience of Mexico's transnational criminal organizations. This is a severe threat and requires a serious response.

I look forward to hearing from the experts from the Department of Homeland Security, the Department of Justice represented by the DEA, and the State Department on how the situation on the ground has evolved, the impact on U.S. personnel and their activities, and tactical ways to quash this criminal insurgency.



MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE CONNIE MACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Number of Cartels in Mexico (2006 – 2010)

2006	2007-2009	2010
Pacífico Cartel	Pacífico Cartel	Pacífico Cartel
	Cártel de los Beltrán Leyva	Pacífico Sur Cartel
	Juárez Cartel	Acapulco Independent Cartel
Juárez Cartel	Tijuana Cartel	"La Barbie" Cartel
Tijuana Cartel	"El Teo" Faction	Juárez Cartel
	Golfo Cartel-Zetas	Tijuana Cartel
Golfo Cartel	La Familia Michoacana	"El Teo" Faction
La Familia Michoacana	Milenio Cartel	Golfo Cartel
Milenio Cartel		Zetas
		La Familia Michoacana
		La Resistencia
		Jalisco Cartel -Nueva Generación
Six	Eight	Twelve

Source: Eduardo Guerrero Gutiérrez, "At the root of the violence," information compiled from national and state daily newspapers.

According to the CIA, Insurgent Activities

Include:

- Guerrilla Warfare;
- Terrorism;
- Political Mobilization;
- Propaganda;
- Recruitment; and
- International Activity

Source:
Central Intelligence Agency, *Guide to the Analysis of Insurgency*, Washington, D.C.: Central Intelligence Agency, n.d. 2.

A Day In The Life of Mexico



8:45 a.m.

Angel Díaz, a 20-year-old taxi driver, is found killed.



A Day In The Life of Mexico



12:45 p.m.
Two teenage boys are
found shot to death
in a car in Acapulco.



A Day In The Life of Mexico

7:30 p.m.

Gunmen kill two men at a restaurant in Acapulco.



A Day In The Life of Mexico

11:40p.m.

Two teenage boys are found murdered in front of a school in Monterrey.



A Day In The Life of Mexico



11:55p.m.
A man's body is tossed out
of a car in Ciudad Juárez.

Source: David Lahlow, Nicholas Casey, and Jose De Cordoba. "Just an Ordinary Day of Death in Mexico's War on Drug Traffickers." *The Wall Street Journal*. August 27, 2011.

MATERIAL SUBMITTED FOR THE RECORD BY THE HONORABLE MICHAEL T. MCCAUL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

1/5/12

Editorial: Let's call Mexico's cartels what they are: terrorists | Dallas Morning...



Editorial: Let's call Mexico's cartels what they are: terrorists

Published: 07 April 2011 06:13 PM

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U.S. Rep. Michael McCaul, R-Austin, gets it. When drug cartel thugs order mass kidnappings, explode bombs, murder scores of public officials, beheld hang them from overpasses, and post signs in border-area cities warning of more violence if they can't get their way, that's not mere drug trafficking. That's terrorism.

Finally, someone in Washington is taking action in response to the unprecedented threat on America's southern border. McCaul, chairman of a House H Security subcommittee, has introduced a bill to add Mexico's six dominant cartels to the State Department's Foreign Terrorist Organizations list.

It's time to take the gloves off and stop treating these cartels as Mexican versions of the neighborhood pusher. These gangs have murdered 35,000 people 2006 — more than 10 times the number killed in the 9/11 attacks. That's terrorism.

"The violence and its raw, often sadistic, brutality form an ever-present backdrop to daily life in Mexico. ... I think many of us here have failed to grasp the impact of this narco-terrorism on the lives of Mexican citizens," Ricardo Ainslie, a University of Texas professor and Mexico native, told McCaul's subcom last week.

By labeling cartel members as the terrorists they are, American law enforcers gain significant extra powers, and penalties are boosted for anyone who dils and abets the criminals. Money launderers and gun smugglers, for example, could face life terms in prison and fines of up to \$50,000 per violation.

There is good reason to exercise caution going forward. Congress must avoid "terrorism creep," the temptation to label anyone who fights against Americ interests as a terrorist. Federal law identifies terrorism as deliberate efforts "to intimidate or coerce a civilian population; to influence the policy of a govern intimidation or coercion; or to affect the conduct of a government by mass destruction, assassination or kidnapping."

This is exactly what Mexico's cartels are doing. But McCaul's bill must not be used to label casual drug users as financiers of Mexican cartels, subject t terrorism prosecution simply for lighting up a joint.

The law would, however, serve notice to people on this side of the border who assist by transporting enormous sums of cash across the border or who pu large quantities of assault weapons to fuel the cartels' killing spree that their actions are, under the law, equivalent to helping Osama bin Laden.

The world needs to see these killers for exactly who they are and prosecute them with no less vigor than we do Islamist fanatics who torture, dismember their victims. McCaul's bill marks a dramatic new step toward empowering law enforcers to make a real impact in Mexico. It deserves Congress' careful consideration.

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