

“Limiting Organized Crime Violence in Mexico: What the United States Can Do”

**Testimony by
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House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere**

Chair: Hon. Eliot L. Engel

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I would like to thank Chairman Engel for the opportunity to testify today. This hearing is both timely and well-focused.

The issue of organized crime tied to drug trafficking in Mexico is timely because of the rising violence in Mexico, which reached around 6,000 drug-related killings last year. The Mexican government has accurately defined this as the country’s greatest threat and taken a valiant stance against organized crime, while trying to strengthen Mexico’s police forces and judicial institutions.

Indeed, much of the violence we are seeing today in Mexico is the result of the government’s aggressive campaign against drug traffickers, since the arrests of key leaders and the closing of old trafficking routes have created new rivalries and divisions among the drug trafficking organizations. Three states today account for two-thirds of the violence because these are the areas where divisions within in existing cartels and competition over trafficking routes between groups has led to significant cartel-on-cartel violence. We should not confuse this spike in violence with the break-down of order in Mexico.

However, at the same time the violence is the symptom of something deeper – of the ongoing presence of organized crime and its capacity to corrupt law enforcement and judicial institutions in many places throughout the country. When the violence goes down – and it may eventually when the cartels decide it is bad for business – we should not confuse that with the

resolution of the problem either. Organized crime tied to drug trafficking has penetrated Mexican institutions in new and dangerous ways, and the Mexican government and Mexican society are right to make this a priority for action.

The United States has a huge stake in what happens in Mexico, both because Mexico is a neighbor and a strategic partner, and because the issue of drug trafficking involves both of us in equal parts. It is, as President Obama said the other day, “a two-way situation.” For this reason, today’s hearing is especially well-focused. Although much of the violence is on the Mexican side of the border, and Mexico faces significant challenges for strengthening its institutions and its law enforcement capacity, these organizations are sustained by the appetite for narcotics on our side, with U.S. drug sales accounting for as much as \$15 to 25 billion that is sent back to Mexico each year to fuel the cartels’ activities. Some of these proceeds are used to buy weapons for the drug trafficking organizations, usually in the United States. When we see the violence across the border – and its deeper consequences for democracy and rule of law – we should recognize that our country houses those who knowingly or unknowingly finance and equip the organized crime organizations behind it. And that means that we also hold the key to at least part of the solution of this problem.

Fortunately, law enforcement cooperation between the governments of the United States and Mexico has increased significantly in recent years. We are now able to track and apprehend some of the worst criminals involved in the drug trade as they move from one country to another, and to share timely intelligence that helps disrupt the operations of drug trafficking organizations. The approval by Congress of the Merida Initiative last year has further deepened this cooperation by strengthening contacts and building trust between the two governments to address this common threat together.

However, the most important actions that the U.S. government could take to undermine the reach and violence of these drug trafficking organizations need to be taken on this side of the border. There are three sets of actions that we could reinforce that would be especially vital to undermining the drug trafficking organizations. All of these actions are in our national security interest because they will help stabilize the situation in Mexico and prevent any spillover into the United States. They are also good domestic policy because they would make our communities in the United States safer and more secure. The ideas I suggest here are drawn from a report published by the Woodrow Wilson Center, *The United States and Mexico: Towards a Strategic Partnership*, that builds on the input of over one hundred experts from both countries on the best ways we could work together to strengthen ties across the border (it is available on our website, www.wilsoncenter.org/mexico).

First, we can do a lot more to reduce the consumption of drugs in the United States. The demand for narcotics in this country drives the drug trade elsewhere in the hemisphere, including Mexico. There is, of course, no magic bullet to do this – and I claim no particular expertise on the prevention and treatment of addictions. However, even a cursory look at recent federal expenditures on narcotics shows that we have increasingly emphasized supply reduction and interdiction while scaling down our commitment to lowering consumption in the United States. Available research suggests that investing in the treatment of drug addictions may not only be good for U.S. communities, but also be the most cost effective way at driving down the profits of drug trafficking organizations by reducing their potential market. We have also learned a great deal in recent years about preventing addictions, including the highly successful campaigns against tobacco addictions, which could be put to good use in renewed efforts at preventing illegal drug use. We cannot eliminate drug use or addictions, but it is worth making a

concerted effort to drive down demand not only for public health reasons but because it hurts the bottom line of criminal organizations.

Second, we can do much more to disrupt the 15 to 25 billion dollars that flow from drug sales in U.S. cities back to drug trafficking organizations in Mexico and fuel the violence we are seeing. The Treasury Department has done a good job of making it difficult to launder money in financial institutions. However, the drug trafficking organizations have now turned to shipments of bulk cash, which has become the preferred way of getting their profits back across the border. Currently no single agency is fully tasked with following the money trail in the way that agencies are tasked with pursuing the drugs themselves. DEA, CBP, ICE, FBI, Treasury, and local law enforcement are all part of this effort currently, but all are primarily tasked with other responsibilities. It is worth noting that it is both impractical and undesirable to try to stop this flow only at the border. Massive sweeps of cars exiting the United States for Mexico would disrupt the economic linkages between border cities and probably yield few gains, since the cash is often divided up and taken across the border in small amounts (or converted into luxury goods for legal export). The real challenge is developing the intelligence capabilities to detect the flow of money as it is transported from one point to another in the United States as cash, or when it enters financial institutions as money transfers, foreign exchange purchases, and bank deposits. There are recent experiences in pursuing terrorist financing that may be useful models for similar efforts to pursue the finances of drug traffickers; however, with bulk cash especially, coordination among law enforcement agencies should be paramount.

Third, we can do much more to limit the flow of high caliber weapons from the United States to Mexico. Most of the high-caliber weapons – over 90% – that are used by Mexican drug trafficking organizations are purchased in the United States and exported illegally

to Mexico. It is vital to increase the number of ATF inspectors at the border, as well as to strengthen cooperation with other law enforcement agencies, which often have relevant intelligence on trafficking organizations. The current prosecution by the Arizona Attorney General's office of a gun dealer who was knowingly selling arms to drug trafficking organizations is a powerful precedent, but it is only a first step. The Obama administration might also look more broadly at the question of access to high-caliber assault weapons in the United States, although these are clearly difficult issues that arouse significant passions on all sides. There is much that we can do to limit the access that criminals now have to high-powered weapons without violating the spirit of the second amendment or affecting the interests of American hunters and gun collectors.

Over the past few years our efforts to deal with drug trafficking organizations have been primarily focused on interdicting the supply of drugs abroad and at home. While this has led to some positive results in making drug trafficking more difficult, it is time to complement aggressive interdiction with a comprehensive approach that attacks the sources of the profits and the weaponry that now fuel drug-related violence. This requires looking at our domestic responsibilities for reducing consumption rates and disrupting the supply of money and guns, while helping Mexico develop both the law enforcement capacity and the institutions that make it difficult for organized crime to operate there.

This requires both presidential and congressional leadership to get our foreign policy and domestic agencies working together to address this problem from a variety of angles. There is no magic solution to the threats posed by organized crime, but a more comprehensive strategy would help reduce the reach and impact of these criminal organizations. If we do this, we will not only be performing a service to our neighbors and partners in Mexico, who wish to live in

peace without the threat that drug trafficking organizations now present to their safety and to the rule of law, but also to communities throughout the United States that live with both the public health and public security consequences of drug trafficking.