

# Mexico—The Essentials



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## THE MEXICAN ARMY AND ENFORCEMENT OF DRUG POLICIES

The National Drug Control Office put additional pressure on Mexican leaders to develop new enforcement plans. Their greatest success against the drug industry had come with Operation Condor, commanded by General José Hernández Toledo. This suggested using the Mexican Army. Its officers had a reputation for discipline and strong policies against corruption, but politicians hesitated to use it as a domestic enforcement agency, in part mindful that army officers might decide they could better run the country. The officers had a general anti-US attitude, but they were willing to accept modern military equipment. Moreover, the public trusted the army, rating it along with the Catholic Church as reliable institutions.

An additional push toward the army came when the US Congress passed the National Defense Authorization Act of 1989 that envisioned the role of the Latin American Armies in the war on drugs. The act placed the US Department of Defense in charge of detection and elimination of the illegal production and trafficking of drugs.

Ernesto Zedillo de León seemed to take a step toward militarization of the antidrug policies; while campaigning for the presidency (1994–2000), Zedillo declared that the drug cartels posed a threat to national security. Many interpreted his statement to mean that he would consider deploying the army against traffickers. Shortly after Zedillo's inauguration, in an effort to confirm his intentions, US Secretary of Defense William J. Perry made an official visit to meet with him and his secretary of Defense. Perry offered training and equipment if the army took over enforcement. Zedillo, alarmed by rumors that the cartels planned to construct fortified hilltop forts, took major steps. He sent a select group of army personnel to undergo counternarcotic training at Fort Bragg, North Carolina.

The curriculum emphasized air assault tactics as well as civil-military relationships. The graduates received assignments as instructors in each of the national military zones. Following the suggestions of the training, the army also created special airborne assault units (GAFES, Grupo Aeromóvil de Fuerzas Especiales, that is, Mobile Air Special Force Groups) equipped with troop-carrying Vietnam-era helicopters (Hueys) for lightning strikes in isolated areas.

Disillusionment with the army came quickly. Several graduates of the Fort Bragg program left the army and joined the cartels. President Zedillo, in 1996, chose General Jesús Gutierrez Rebollo, a soldier with 42 years of service, to head the National Institute to Combat Drugs. The first two directors, both civilians, had been dismissed for corruption and collaboration with the cartels. Warning signs existed about the Gutierrez Rebollo appointment, but officials ignored them, or, in some cases, opponents of the president within the PRI covered up the information. The appointment also revealed a failure of US intelligence. Gutierrez Rebollo, as the commander of the Fifth Military Region based in Guadalajara, had acquired three houses in a luxurious neighborhood and had a fleet of cars and several racehorses. Following his appointment as the drug director, he moved into an apartment in Mexico City, far too expensive for a general's salary, and chose as his deputy a former army captain who had been discharged for suspected drug ties and involvement in kidnapping. The latter charge may have been the result of mistaken identity, but the public believed him guilty.

The general lasted two months in office before being dismissed from the army with the discovery of his long-standing relations with the Amado Carrillo Fuentes Cartel. His antidrug reputation in fact resulted from targeting competing cartels while supporting the Carrillo Fuentes organization. The discovery embarrassed both President Zedillo and the US administration. General Barry McCaffrey, the White House drug spokesperson, only weeks before the dismissal had declared the general to be a man of absolute integrity. When confronted, the hapless Gutierrez Rebollo had a heart attack and died.

Another blow to President Zedillo's image resulted from Operation Casablanca in 1998. The US Customs Service over 3 years investigated money laundering by Mexican cartels and discovered evidence of the active participation of Mexican bankers. In an elaborate sting operation, the Customs officers dangled an all-expenses-paid trip to Las Vegas, Nevada, before them. Twenty-two bankers from twelve major banks accepted the offer and were arrested in the United States. The incident outraged President Zedillo, who had not been informed; he claimed the investigation had violated Mexican sovereignty. An apologetic President Bill Clinton had to telephone Zedillo with a half-hearted explanation. Diplomatic issues notwithstanding, Operation Casablanca demonstrated that the financial industry had been seriously compromised.

The Zedillo regime ended with the presidential victory of the first opposition party since the creation of the official party in 1929. Mexicans in 2000 elected the PAN candidate Vicente Fox. The new president, a likeable, principled man, faced a hostile congress still in the hands of the PRI, making political reforms difficult.

In the drug war, his administration appeared to be making progress, at least in terms of arrests and drug seizures. Some PRI members had ties with the drug industry and, at the enforcement level, the close working arrangement remained with police and traffickers.

## THE FOX PRESIDENCY AND PAN DRUG POLICY

The arrest of drug kings, Fox understood, enhanced the level of corruption in prisons, and he reacted by responding to extradition requests by Washington. The United States in turn deported drug members if the evidence did not appear strong enough for conviction. These efforts took place with an escalation of drug-related violence.

In Culiacán, Sinaloa, for example, a gun battle in 2005 among drug competitors left several dead on the steps of the cathedral. A few days later, El Chapo (Shorty) Joaquín Guzmán Loera visited his favorite restaurant, Las Palmas, specializing in gourmet cuts of beef and tasty shrimp. A spokesman entered the restaurant and instructed diners to remain in their seats. He said that no one would be allowed to leave, the doors would be locked, no cell phones would be permitted, and, after eating, they should not ask for the check because that would be taken care of. Then El Chapo entered through the front door with retainers armed with AK 47s. He made the rounds of each table, introduced himself, and shook hands with the petrified clientele, all well aware of the cathedral shoot-out. El Chapo then retired to a private room to begin a loud and raucous party of over two hours. The evening demonstrated that he had neutralized the police, as authorities prudently avoided going to Las Palmas. The locked doors and the instructions to the diners were to protect the drug boss from rivals.

El Chapo's career in many ways demonstrates the trajectory of a successful narco-trafficker. As an impoverished young man he sold items such as fruit in the street until he turned to more lucrative pursuits. Energetic, ambitious, and with a flair for innovation, he rose in the ranks of the Miguel Ángel Félix Gallardo Cartel. He became one of a dozen or so lieutenants angling for the top spot. One morning, Miguel Gallardo woke up surrounded by a police unit. He immediately offered them 5 million dollars to let him go, but to his chagrin the police refused. Convicted and imprisoned, he ran his organization from prison until being moved to the La Palma Maximum Security Facility. He divided his territory among his henchmen to avoid turf wars. El Chapo got the prime territory of Mexicali-San.Luís Río Colorado on the Sonora border, with access to Arizona and eastern California. The plan did not work, as the former lieutenants slithered into competing organizations.

The police soon detained El Chapo, but he used a handy \$50,000 to buy his escape. Eventually he was captured and imprisoned. He made the best of prison, in which he purchased luxurious accommodations with a well-stocked bar, where he drank, dined, entertained, and began an affair with a female inmate. Meanwhile the United States requested his extradition. On the eve of being extradited,

the electronic lock on his cell door opened just as the surveillance cameras shut down for several minutes, and he managed to escape. Some seventy-one prison employees, all apparently well paid for their actions, were arrested to no effect. The escape embarrassed the Fox administration and caused rumors that the PAN had protected El Chapo. Federal authorities failed in their efforts to recapture El Chapo.

His success and wealth came at a price. Rivals gunned down his brother and son, The Zetas killed his prison girlfriend, carving Z's on her breast and buttocks, and other family members were arrested. El Chapo lived in the stressful demi-world where one mistake can be fatal, yet his life has become a folk saga celebrated in *corridos* (popular songs), one of which, recorded by the group called The Vultures, includes the following lines:

“He sleeps at times in homes  
At times in tents  
Radio and rifle at the foot  
Of the bed  
Sometimes his roof is a cave.”

*Forbes Magazine's* 2011 list of the world's richest and most powerful individuals estimated El Chapo's net worth at 1 billion dollars, placing him at number 1,140 on the list of the world's richest people and number 55 on the list of the world's most powerful people. In the *Forbes* format he is listed simply as Self-Made, Drug Trafficker, Sinaloa Cartel.

Narco-traffickers practice cruelty, bravado, and occasional enormous generosity. They attend to all the sacraments of the Church from baptism to last rites while killing others, even cardinals. Priests, who ignore the sins of cartel bosses, service this community in exchange for generous donations. For example, Amado Carrillo Fuentes, boss of the Juárez Cartel until his death while undergoing plastic surgery to change his face, was photographed in Jerusalem in 1995 along with a Mexican priest guiding him around the holy sites.

Cartel members retain their reverence for Our Lady of Guadalupe and other manifestations of the Virgin Mary. They also have saints they identify with their occupation, especially the tradition of the good bandit who thrusts aside the rich to embrace the poor. They generously pay for paving roads, supplying irrigation, piped-in water, and sewage systems. They finance services that the government has failed to provide. Jesús Malverde has become a popular saint among drug traffickers. Couriers taking drug shipments cross the border, visit the shrine, and pray to Malverde to ensure safe passage; if all goes well, they make a return visit, entertain the folk saint with music, and make an offering. Images of Malverde represent him as fair skinned, handsome, and neatly dressed, often looking much like Pedro Infante (1917–1957), the famous actor–singer raised in Guamúchil, Sinaloa.

The Familia Michoacána Cartel, especially, identifies with the idea of the good bandit. Organized in 2000 allegedly to protect hardworking people from extortion, kidnapping, drugs, outsiders, and general disorder, La Familia operates

in five states. It took its professed philosophy from the works of evangelist John Elderedge, founder of the Ransomed Hearts Ministries in Colorado Springs, Colorado, with the purpose of “helping people discover the heart of God, recover their own heart in his love, and learn to live in His Kingdom.”<sup>2</sup> La Familia often reverses the Elderedge dictum. Members behead victims, asserting they serve the interests of divine justice, and claiming they do not kidnap or kill innocent persons. As an aspect of their deadly ministry, they resort to newspaper advertisements as they deal in drugs and run a protection racket. They have begun to act as a proto-government, with emphasis on residents of Michoacán: the protection racket (taxes), the dispensing of justice within their “territory,” and their alleged concern for “workers.”

Other cartels have similar ambitions. In the late months of 2011, La Familia battled competing cartels, particular the Zetas, and following the loss of several of its leaders, it renamed itself the Knights Templar of Michoacán. It is not clear if this is splinter group of La Familia or a revised version of the group. A 22-page booklet with the title *The Code of the Knights Templar of Michoacán* was distributed to the public. The organization may be modeling itself along the lines of the Colombian paramilitary groups who govern communities to rally popular support.

## THE CALDERÓN PRESIDENCY

President Fox's successor, Felipe Calderón (2004–2012) believed that drug cartels threatened both the government and civil society. He initiated an all-out military strategy against them. In December 2006 the president ordered 6,500 troops to Michoacán, his home state, to confront La Familia Michoacán. Rampant violence and the almost total loss of civil control in Juárez posed even more concern for the president. Some 3,000 soldiers arrived in early March 2007, followed by 7,000 a week later; 2,000 arrived by helicopter before the month ended, creating a combined force of 12,000. Among other concerns, the president worried that the violence might provoke US intervention to support the agents of the DEA, FBI, CIA, and other US agencies already operating in Mexico. Nevertheless, by the end of 2012 Calderón's strategy appeared to have stabilized Ciudad Juárez and the number of killings declined by 40%.

US officials had concerns that because of the violence Calderón might legalize drugs or reach an agreement with the cartels, creating a border narco-zone. They also felt uncertainty about the impact on the free trade (NAFTA) agreement, the damage to the interconnected economy, the prospective flood of refugees and the extension of violence across the border, and the consequences for US investments. As a response, the US government initiated the Mérida Initiative, funded with 1.6 billion dollars over the period from 2007 to 2010. Most of it went to Mexico and the Central American republics. The money proved ineffectual as most of it went to US manufacturers, who provided slow and unpredictable delivery, and restrictions in the law on the use of the equipment further limited its usefulness. Mexico, as revealed in leaked cables, recognized the limited utility of

the Mérida Initiative. Its share of less than 800 million dollars needs to be put in the context of the estimated 12–15 billion or 23 billion dollars that annually flow from US consumers to the cartels. The Calderón administration made an issue of the weapons trade, urging the United States to halt the flow of illegal guns.

Calderón's military effort resulted in tremendous violence: Within three years, 30,000 people died, and the death toll had reached 70,000 when he left office in November of 2012. The deaths and other violence occurred in specific locations: 80% of it happened in 162 municipalities out of the nation's total of 2,456. Juárez alone accounted for 20%, and three other cities, Tijuana, Chihuahua, and Culiacán, totaled 16%. The remaining 54% happened in 159 municipalities. The brutality, wherever it happened, shocked the public. Acapulco, because of the turf war, became known as Narcopolco. The cartels have a presence in other municipalities not on the violent list, but because one cartel controls the drug trade there, or the potential profits are small, they do not result in turf wars.

Mexico City represents a special case. Cartels have a presence in the Tepito neighborhood and on the periphery of the Federal District. Otherwise, they keep a low profile. The capital's police agencies and the armed forces have a commitment to protect the city and the president. Kidnapping, widespread in the city, has remained until recently the crime of petty gangs and corrupt police, but the cartels have now moved into this field.

During Calderón's war, the Zetas became the most dangerous and successful cartel. After breaking with the Gulf Cartel, the Zetas took control of drug and protection operations in the industrial center of Monterrey. Their infiltration of the city became evident with the burning down of a casino that refused to pay protection money. Fifty-two people died in the flames. The police arrested five alleged Zetas who confessed to the crime and President Calderón declared three days of national mourning for what he characterized as a terrorist act.

The estimated members of the Zetas number between 200 and 300.<sup>3</sup> Counting their auxiliary units and affiliated gangs probably brings the number to over a thousand. The Zetas include both Mexican and Guatemalan Army deserters, some with US antidrug training. They have developed a sophisticated organization. Their auxiliary units perform specific tasks, from street kids on bicycles who whistle if they see something suspicious, to teenagers who hang around keeping their eyes open, ready to use their cell phones to give warnings, to experts who track cars and monitor telephones as well as plan and carry out kidnappings. Women are used to gather intelligence as well as to seduce targeted officials into collaboration. These *panteras* (panthers) have the authority to kill targets if other efforts fail.

At the top of the organization, the jefe controls all the operations and relies on a group of deserters from GAFES assault units. A special cartel unit, the *matamilitares* (soldier killers), has the goal of intimidating active-duty troops by devising cruel methods of executing victims that will be reported in the newspapers. Army officers are enraged that their former comrades would engage in such actions. The Defense Ministry has recommended that any of them apprehended

face both military trials as well as civil criminal proceedings with the penalty of a life sentence for those convicted.

### THE ZETAS: EXAMPLE OF THE NEW CRIME FAMILY

Zeta business interests have extended far beyond drugs. They force merchants to buy goods from the Zeta distributor at higher prices than through normal channels. Items forced on merchants have a sticker with the image of a Hummer indicating origin. In addition, they collect protection money on nearly every business. The Zetas control Nuevo Laredo and they appear to be expanding into Laredo, Texas, by recruiting gang members there. The international border between the two Laredos at times allows members to skip to the other side as a haven. The Gulf Cartel in Matamoros-Brownsville, the Juárez Cartel with its twin city of El Paso, Texas, and other cartels with twin cities have attempted to establish affiliated gangs on the "otra lado." The Juárez Cartel uses the 3,000-member Barrio Azteca gang to smuggle drugs across the border and, besides, generous payments protect them from the police. Cartels attempt to control a strip of the border to avoid paying other cartels for transit rights. Pablo Acosta in Chihuahua allegedly shipped 60 tons of cocaine annually across the 250 miles of the US border until he was killed in an FBI ambush.

The Zetas' home territory is in State of Tamaulipas, except for Matamoros, and they have expanded their activities to nineteen states along the eastern coast from the northern border to include Tampico, Veracruz, to the State of Quintana Roo. They have also developed interests in Guatemala through an alliance with the Guatemalan Petán–Cobán Cartel. This facilitates their control over one of the two Central American routes (El Chapo controls the other) for cocaine shipments from South America.

By the end of the presidential term in 2012, Calderón's strategy appeared to have stabilized Ciudad Juárez and the number of killings declined by 40%. Nevertheless, a change in drug policy seemed necessary. Critics of the army pointed out that the soldiers were not trained to patrol city streets, the officers seemed reluctant to attack drug militias, and they did not provide enough protection so civilians could reject cartel extortionist demands. Critics ignored the different responsibilities of the army and police. The navy and marines, praised for their success in intercepting drug shipments at sea, did not occupy towns where danger might be around every corner. Critics debated why the administration had failed to use the army or navy to take advantage of the cartel war (2011–2012) between El Chapo's Sinaloa Cartel and the Zetas. El Chapo won a decisive victory and created a supercartel. Given El Chapo's organizational skills, political understanding, and business sense, some negotiation with his cartel seems possible as long as he remains alive.

The presidential election of July 2012 returned the PRI to office. The new president, Enrique Peña Nieto, had campaigned on the bases of stimulating the economy, reforming education, and ending corruption—a standard list of

election issues, with few references to the antidrug campaign, although he advocated rehabilitation for drug addicts. He announced the formation of a new 10,000-person police force, including army veterans, to focus on crime, not just on drugs. Peña Nieto also pledged to cooperate with state governors, which indicates an effort to end the war with the cartels, if they return to producing and transporting drugs to the United States without attempting to develop a market in Mexico. No policies have been proposed for the municipalities controlled by the cartels, and even if the government legalizes drugs, the cartels will probably not relinquish control of them.

Although the level of violence has declined, gruesome deaths still occur. Maria Santos Gorrostieta, the mayor of Tiquicheo, Michoacán, developed an honest administration that left drug matters to the police. The La Familia Cartel objected to her administration and killed her husband as a warning. When she continued her administration, cartel members took her prisoner, mutilated her, sent photographs to her constituents, and then tortured her to death.

The illegal drug business continues to flourish in the US market. Profits sent back to Mexico have been estimated to range from 8 to 24 billion dollars a year. Much of this money goes to offshore banks, laundered in legitimate businesses, and invested in other countries. Nevertheless, some drug profits stay in Mexico and have an impact on the domestic economy. The drug industry pays premium prices and wages. Growing and harvesting opium poppies, a labor-intensive task, employs some 300,000 small-plot cultivators in remote areas. They earn an average of 300 pesos a day, a much better wage than the 54 pesos for corn cultivation. This draws workers from food crops, fishing, mining, and artisanry such as weaving. Cartels also hire chemists, lawyers, lab technicians, accountants, managers, and all sorts of intermediaries. In addition, they provide security, enforce contacts with competitors, and pay bribes to retain cooperation or forbearance from various officials. Consequently, the illegal drug industry provides significant employment and payments that have a multiplier effect throughout the economy.

Some 468,000 individuals directly rely on the industry, according to a major cost-benefit analysis. This estimate is three times the number of employees of the state oil company PEMEX. With their dependents, the drug industry supports well over a million people. Nevertheless, the drug industry produces negative economic results. In the Golden Triangle, individuals migrate to avoid the drug business and they represent a loss of skills. Drug money or even the suspicion of it drives out investors and discourages new investments. Community life, especially restaurants and entertainment centers, in cartel-controlled areas declines as people fear becoming victims. Finally, the expense of deploying police and military forces to counter the drug gangs comes with a high price. The industry causes an estimated economic loss of 4.3 billion dollars.

The public, horrified, fearful and exhausted by the antidrug campaigns, wants an end to the war. Many believe the PRI at least had an arrangement with the cartels that provided a degree of personal security. Outgoing President Calderón defended his strategy, but said the PRI would like to return to the old system.

Other influential voices, including those of former Presidents Ernesto Zedillo and Vicente Fox, have publically advocated legalization of drugs, because they believe the war's collateral damage is too great to sustain. Fox, a former Coca-Cola executive, pointed to the number of businessmen who have moved to San Antonio, Dallas, and Houston out of fear of the cartels. He stressed the urgent need to legalize production, distribution, and sale of drugs as a way reducing the amount of money in criminal hands. Meanwhile, President Peña Nieto has made it clear that he intends to focus on the economy, not the drug war. His new paramilitary force will relieve the army of much its role in the war on drugs. His focus is on traditional economic matters while ignoring the cartels, but does not resolve the tensions between an illegal interest group and the federal government. Meanwhile, a skeptical United States effectively blocked the appointment of General Moisés García Ochoa from becoming the new minister of defense because the DEA suspected him of maintaining connections with the cartels. This demonstrates that his ability to deal with the problem is handicapped by its bi-national nature and US policies.

Mexican and Latin American officials in general appear to be waiting for the United States to declare the end of Nixon's ill-considered war. The criminalization of drugs in the United States led to excessive punitive laws. Governor Nelson Rockefeller of New York in 1973 pushed through legislation that required judges to impose sentences of fifteen years for possession with intent to sell of 2 ounces of illegal drugs, including marijuana. The prison population in the state jumped from 75 out of 100,000 citizens in 1970 to over 300. Other states adopted versions of the Rockefeller laws with expensive and overcrowded prisons as a result.

Signs are increasingly evident that the US public is turning against criminalization. Serious reconsideration includes the reduction of penalties for possession of specified amounts of marijuana and the decision of the US government in 2009 to turn jurisdiction of marijuana over to the states. Although Proposition 19 in California to legalize marijuana failed in 2010, nearly open cultivation of it has developed in northern California. Legalization of marijuana by referendum occurred in 2012 in Washington State and Colorado and may represent the end of the illegal market. The movement toward some legalization in the United States will determine to an extent what happens in Mexico.

The cartels have moved into other criminal activities and into legitimate businesses as a hedge against legalization.<sup>4</sup> For example, the Zetas, beyond extortion, kidnapping, and rackets, have become involved in coal mining. Recovering from the antidrug war will be difficult because the damage has been extensive. The government in 2011 released a report that 45,515 individuals had been killed in the war against drugs, but many experts believe the number has reached beyond 60,000 deaths. Calderón, just before he left the presidency, proposed a memorial to the victims in Chapultepec Park. It will represent others as well, because President Peña Nieto has declared that there will be no truce between the government and the cartels.