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UNITED STATES-MEXICO COUNTERNARCOTICS EFFORTS

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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UNITED STATES-MEXICO COUNTERNARCOTICS EFFORTS

TUESDAY, FEBRUARY 29, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY,
AND HUMAN RESOURCES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John L. Mica (chairman of the subcommittee) presiding.

Present: Representatives Mica, Hutchinson, Mink, Cummings, Kucinich, and Tierney.

Also present: Representatives Gilman and Towns.

Staff present: Sharon Pinkerton, staff director and chief counsel; Lisa Wandler, clerk; Gilbert A. Macklin and Carson A. Nightwine, Jr., professional staff members; Charley Diaz, congressional fellow; Cherri Branson, minority counsel; Jean Gosa, minority assistant clerk; and Chris Traci, minority staff assistant.

Mr. MICA. Good morning. I would like to call this hearing of the Subcommittee on Criminal Justice, Drug Policy, and Human Resources to order.

This morning's hearing will focus on the oversight of the United States and Mexico's counternarcotics efforts. We will be joined by our ranking member in just a few minutes and we do have Mr. Gilman here. I will proceed first with an opening statement and then yield to Members, and then we will hear from two panels today.

International drug trafficking continues to be a growing threat to security in the United States. According to the Substance Abuse and Mental Health Services Administration, almost 16,000 Americans lose their lives each year as a direct result of illegal narcotics. At a recent hearing we conducted, the drug czar, General Barry McCaffrey, estimated that the number of deaths could be as high as 52,000 each year. The social, economic and criminal justice costs associated with drugs is a staggering $110 billion a year and climbing; and if we take everything into consideration, there have been estimates that it could be as much as a quarter of a trillion dollars a year in costs to our society.

Today, our subcommittee will again examine the United States and Mexican counternarcotics efforts. It is important that we do so for several reasons: first, because we have such an incredible supply of hard narcotics flooding across our borders; second, under the drug certification law that Congress must annually review, the de-

cision of the administration and the certification process which is just around the corner here.

Our concern is the increasing role that Mexico plays in drug trafficking activities. Our relationship with our neighborhood to the south is critical, and it is hard to imagine an issue which impacts both countries more deeply than illegal drugs. In fact, at a hearing on Mexico last year, our former DEA Administrator, Tom Constantine, stated, "In my lifetime, I have never witnessed any group of criminals that has had such a terrible impact on so many individuals and communities in our nation." That was his quote a year ago. This statement is from a man who spent 40 years in law enforcement.

He went on to say in a November 26, 1999, New York Times article, "We were not adequately protecting the citizens of the United States from these organized crime figures." The "we" he refers to is the Clinton administration, and I guess it would also have to refer to Congress as the guilty parties.

Every year the President decides which of the major drug-producing or transiting countries he will certify, and the law has a phrase which says "fully cooperating"—that is the terminology; so the law determines and evaluates full cooperation with the United States to end the scourge of illegal drugs. And that is part of the criteria by which we judge these nations.

Last year, and probably this year, the President will certify that Mexico is fully cooperating. This decision made, despite what I believe, is very disturbing evidence that our neighbors to the south have not made sufficient efforts to stop the flow of drugs into our country. Every year the subcommittee asks what progress is being made to combat the flow of illegal drugs into the United States from Mexico.

Specifically, we will ask the following questions today: Why hasn't the U.S. Government been able to reach an agreement with Mexico on adequate safety measures for United States agents assigned to the Border Task Forces?

Why hasn't Mexico extradited a single major Mexican drug trafficker to the United States?

Why has Mexico refused to allow forward basing of United States ships or planes in Mexican territory in accordance with domestic legislation?

And why does Mexico refuse to allow United States law enforcement agents to carry firearms for self-defense?

In light of the answers to these questions, on what basis would this administration certify Mexico again under the law as fully cooperating?

While there has been a long and productive relationship between our two countries, the growing amount of illegal drugs that are ending up on America's streets and coming across the border should make us pause. Not only is Mexico the leading transit country for cocaine entering the United States, the DEA's heroin signature program indicates that in 1 year Mexico jumped from being the source of 14 percent of heroin in this country to its current status of providing 17 percent of all the heroin seized in the United States. That is just in a 1-year period, and is probably a 20 percent increase in production, which should be startling to everyone.

Today, approximately 60 percent of the cocaine on America's streets comes from across our Southwest border. A recent article from the Washington Post indicates that the heavier flow of drugs has exacerbated ongoing problems of trust and cooperation between the United States and Mexican authorities, and is particularly troubling to law enforcement in light of new statistics showing rising marijuana use among American teenagers. Additionally, Mexico serves as the major source of foreign methamphetamine that is ravaging our communities across the Midwest and our Western States.

We have had previous testimony relating to the meth epidemic across our country in places like Iowa and Minnesota; other Western and Midwestern States are ravaged by methamphetamines coming from Mexico. Methamphetamine has supplanted cocaine as the primary drug threat in most Western States and many Midwestern States, and has emerged as a major concern in the Southeast. The report goes on to say, "The threat posed by methamphetamine is due to its increasing popularity and rapidly addictive properties, and the violent behavior sometimes associated with its use."

In previous years, this administration has testified that Mexico deserved to be certified because Mexico is taking "significant actions" and making "substantial commitments" to address the drug trade. A year later, these commitments appear to be only words and misplaced hope by the Clinton administration.

The GAO's July 1999 report entitled "Update on U.S.-Mexican Counternarcotics Activities" served as an important midpoint check on progress being made. The report paints a bleak picture of cooperation by the Government of Mexico and states that Mexico continues to be the primary haven for money laundering in Latin America. And furthermore, the report states, "There remains no single binational plan to address border problems."

The United States and Mexico share a common 2,000-mile border. Sadly, the border has become the stage for violence and drug trafficking. Consider the discovery of mass graves along the border with Texas. This tells a clear and convincing story of the brutality of the Mexican drug cartels and their complicity with government officials.

It is interesting to note, too, that they did find bodies. We did give notice, and suddenly initial cooperation evaporated and Mexican officials, I am told, tried to get us off the scene as soon as possible; and we may never know what bodies or evidence was removed or what the situation was, but we do know that there have been in fact hundreds and in fact dozens of Americans and Mexicans who have been slaughtered and buried or missing.

Again, on our border with Mexico, yesterday it was reported in the New York Times that the police chief of Tijuana was assassinated by four gunmen who put at least 100 shots into his vehicle as he drove home from mass. I read this morning's article in the Washington Post—maybe some of you read it—and it appears that he is not the only recent Mexican law enforcement official to have died in this manner.

This article, which I ask unanimous consent to be made part of the record, without objection, details that brutal killing and the

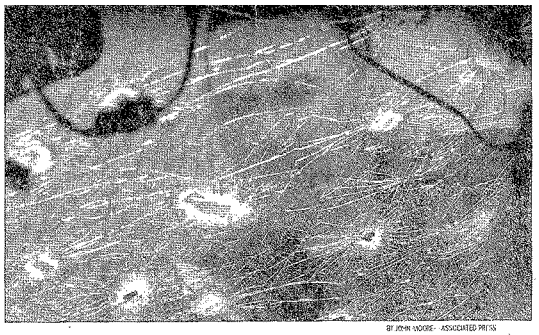
history of killings in Tijuana and the Baja Peninsula, which has become a center of violence, not to mention the Yucatan Peninsula and Quintana Roo, which was run by narcotraffickers and other states within Mexico which have now been taken over by drug traffickers.

[The information referred to follows:]

Mexicans Stunned by Killing of Police Chief

Attack in Tijuana Follows Tough Talk by President

By Molly Moore
Washington Post Foreign Service



BY JOHN MOORE - ASSOCIATED PRESS

A Tijuana police inspector examines bullet holes in the windshield of the black Chevrolet Suburban that Police Chief Alfredo de la Torre was driving when he was assassinated.

MEXICO CITY, Feb. 28—The Tijuana police chief's assassination Sunday—just two days after President Ernesto Zedillo announced new resolve to fight drug violence in the border region—has stunned Mexican authorities and renewed complaints about criminal influence in Mexico.

Alfredo de la Torre became the second Tijuana police chief in less than six years to be gunned down when assailants riddled his black Chevrolet Suburban with dozens of bullets as he drove along a busy highway.

Zedillo, responding to pressure from local business and political leaders concerned about one of the highest murder rates in Tijuana history, had declared less than 48 hours earlier: "We can't stand still with our arms crossed" while violence and crime continue to escalate in the Tijuana area.

Tijuana sits just south of San Diego, Calif., and most of Mexico's trafficking is oriented toward smuggling illegal drugs across the border for distribution in the United States. In addition, the killing came days before a planned vote in Congress on whether to certify Mexico as a cooperative partner in fighting drug trafficking.

The certification process touches sensitive national nerves here. Mexican newspapers were filled with outrage this weekend from politicians and pundits thrashing the U.S. ambassador to Mexico, Jeffrey Davidow, for saying last week that "the world headquarters of narcotrafficking is in Mexico" just as the headquarters of the mafia is in Sicily.

Mexico's two largest border cities—Tijuana and Ciudad Juarez, which is adjacent to El Paso—have experienced spiraling crime rates in the past decade as the drug cartels headquartered there have become increasingly powerful and violent. Tijuana is the operations center for the drug mafia controlled by the Arellano-Felix family, reputedly the most violent of Mexico's drug trafficking organizations.

Mexican law enforcement officials said today they have not determined a motive in the shooting of de la Torre. The assassinations of law enforcement officials in Mexico often become mired in speculation over whether the official was killed because he was trying to fight crime, because he was working for rival gangs or for double-crossing a mafia boss.

In the immediate aftermath of his death, city officials and friends praised de la Torre's honesty. Tijuana human rights activist Victor Clark, who said he was a friend, said the late police chief was well aware of the dangers of his office.

Over breakfast on the morning de la Torre received word of his appointment, Clark recalled his friend saying of the criminal organizations: "First they send you a briefcase full of money. Then, if you reject it, they send you a briefcase with a gun." De la Torre, 49, a career law enforcement officer, worked his way up through the ranks and had been chief for 14 months.

He was attacked on the same highway where police chief Federico Benitez Lopez was ambushed and assassinated in April 1994. De la Torre was traveling without bodyguards, as was his custom on the weekend. He had just ended a cellular telephone call to the mayor's office and was on his way to his office when his vehicle apparently was surrounded by at least three vehicles, according to city officials.

The attackers peppered his windshield and windows with dozens of bullets from automatic weapons, according to Mexican authorities. His vehicle then smashed into a tree at high speed. Paramedics were unable to revive him, officials said.

Investigators recovered 102 bullets and 99 shells at the scene of the shooting, according to a statement today by the Baja California Norte state attorney general's office, which is conducting the investigation.

Since the beginning of the year, law enforcement authorities have recorded 63 murders in Tijuana, 70 percent of which they believe are related to criminal organizations, according to a spokesman for the city police department. Tijuana has a population of about 1.5 million. Officials said this year's murder rate is one of the highest recorded. Last year 323 homicides were reported in the city.

Rodolfo Gallardo Hernandez, a lawyer, former judge and one-time candidate for mayor of Tijuana, was gunned down this month outside his home, along with his wife and son. In January, gunmen burst into a seafood restaurant on a busy Friday night and murdered three diners in a spray of gunfire.

"We have to make these criminals understand that Baja California is not their home, that the only place they deserve is prison," Zedillo said Friday in Mexicali, the Baja California Norte state capital that sits just south of the U.S. border and 100 miles east of Tijuana.

Clark, echoing concerns voiced across Mexico today, said "It is a challenge by these people that they murder a police chief just hours after the president has left the state. They are not afraid. In the '80s the police had control of the delinquents. Now the delinquents control the police."

Mr. MICA. Today, the challenges faced by United States law enforcement officials along the Southwest border with Mexico are multiplying every day. The GAO report indicates that between September 1996 and February 1999, DEA recorded 141 threats or violent incidents against United States law enforcement personnel, their Mexican counterparts and public officials. Additionally, in Mexico, drug enforcement agents are not allowed to adequately protect or defend themselves.

It is also interesting to note that we have a cap on DEA agents, that has been placed by Mexico. It is not a public number, but it is a very limited number of agents that are even allowed to operate in that country; and despite a resolution passed several years ago by Congress both to allow our enforcement agents to protect themselves and to work in that setting, we still have not had a response on this issue from Mexico.

Now we hear that $200,000 bounties have been placed on the heads of United States law enforcement officers by Mexican drug traffickers. These brazen and arrogant criminal organizations have amassed tremendous power and influence in the day-to-day lives of not only the Mexican people, but in the lives of American citizens and law enforcement representatives.

In reality, our law enforcement officers are indeed involved in a war. An example of this was the cold-blooded murder of U.S. Border Patrol Agent Alexander Kirpnick on June 3, 1998. Unfortunately, these actions and threats may be repeated in the future by those who amass the power and money involved in drug trafficking. We can see how brazen they have gotten now, to publicly declare that we have $200,000 bounties on the heads of U.S. law enforcement officials.

There exists today a clear and present danger to our men and women of law enforcement along the Southwest border. My concern is that by not demanding more of our Mexican colleagues, we allow these tragedies to continue.

Tomorrow, we expect the administration to release its annual certification determinations. I have a difficult time believing that this administration would certify Mexico as fully cooperating with the law enforcement efforts of the United States in stopping drugs. It troubles me to think that we have set a standard, and Mexico has failed to meet that standard again and again, and yet the administration turns a blind eye to the obvious: There is no satisfactory cooperation with the Government of Mexico on the narcotics issues.

I am sensitive to the fact that our trading relationship with Mexico is vital. However, we must not forget the thousands of lives that are lost each year to drugs, the cost to our society, the impact and devastation to so many American families. As representatives of the people, we owe them this effort. We owe them this oversight hearing and we owe them the truth. It is more than our job, it is our duty, and I don't think that we should shrink from it.

Finally, in the last year, Mexico hired an army of Washington lobbyists and slick Madison Avenue types to influence both Congress and mask the drug rot that is coming from that nation. In this process, they have even helped corrupt the decertification process, which dismays me.

Behind closed doors, U.S. officials will tell you how the corruption has destroyed, and is destroying, that democracy. And it is rather sad and we see how corruption has now—such as the brazen killing of this police chief just, in the last few days, turned to extreme violence in murdering families, standing men and women up and machine-gunning them down.

So Mexico can hire people to defeat this process. They can mask the drug rot, as I said, but the plain facts are that the situation has gotten out of control. Even the United States Ambassador to Mexico was quoted in the last week, I believe, Jeffrey Davidow, his quote was that "Mexico is the world headquarters of narcotics trafficking." I am glad to see that someone has publicly stood up and called it as it is.

Again, we are back here a year later looking at Mexico's cooperation in this effort, and I am not pleased to what I see.

I would like to yield at this time to the ranking member from Hawaii, Mrs. Mink.

[The prepared statement of Hon. John L. Mica follows:]

CHAIRMAN JOHN L. MICA
Subcommittee on Criminal Justice, Drug Policy
& Human Resources
"Oversight of U.S./Mexico Counternarcotics Efforts"
February 29, 2000

International drug trafficking continues to be a growing threat to our national security. According to the Substance Abuse and Mental Health Services Administration almost sixteen thousand Americans lose their lives each year due to drugs. At a recent hearing, the Drug Czar estimated the number of deaths to be as high 52,000. The social, economic and criminal justice costs associated with drugs is a staggering $110 billion per year and climbing.

Today our Subcommittee will again examine United States and Mexican counternarcotics efforts. Our concern is the increasing role that Mexico plays in drug trafficking activities. Our relationship with our neighbor to the south is critical and it is hard to imagine an issue which impacts both countries more deeply than illicit drugs. In fact, at a hearing on Mexico last year, former D.E.A. Administrator, Thomas Constantine stated that:

"In my lifetime, I have never witnessed any group of criminals that has had such a terrible impact on so many individuals and communities in our nation." This is a statement from a man who spent 40 years in U.S. law enforcement ! He went on to say in a November 26th. 1999 New York Times article that: "We were not adequately protecting the citizens of the United States from these organized crime figures." The "we" he refers to is the Clinton Administration.

Every year the President decides which of the major drug producing or transiting countries he will certify as "fully cooperating" with United States to end the scourge of illegal drugs.

Last year, and probably this year, the President will certify that Mexico is fully cooperating. This decision is made despite what I believe is very disturbing evidence that

our neighbors to the south have not made sufficient efforts to stop the flow of drugs travelling from their country into ours.

Every year this Subcommittee asks what progress is being made to combat the flow of illegal drugs into the United States from Mexico. Specifically, we will ask the following questions:

- Why hasn't the US government been able to reach an agreement with Mexico on adequate safety measures for US agents assigned to the Border Task Forces?
- Why hasn't Mexico extradited a single major Mexican drug trafficker to the United States?
- Why has Mexico refused to allow forward basing of US ships or planes in Mexican territory in accordance with domestic legislation?
- Why does Mexico refuse to allow US law enforcement agents to carry firearms for self-defense?

In light of the answers to these questions, on what basis would this Administration certify that Mexico is "fully cooperating?"

While there has been a long and productive relationship between our two countries, the growing amount of drugs that are ending up on America's streets and coming across the border should make us pause. Not only is Mexico the leading transit country for cocaine entering the United States, the D.E.A.'s heroin signature program indicates that in one year Mexico jumped from being the source of 14% of heroin in this country to its current status of providing 17% of all the heroin seized in the United States. Today, approximately 60% of the cocaine on America's streets comes across our Southwest border.

A recent article from The Washington Post indicates that "The heavier flow of drugs has exacerbated ongoing problems of trust and cooperation between U.S. and Mexican authorities, and it's particularly troubling to U.S. law enforcement in light of new statistics showing rising marijuana use among American teenagers." Additionally, Mexico serves as the major source of foreign methamphetamine that is ravaging our communities across the midwest and our western states.

And, a recent National Drug Intelligence Center report indicates that methamphetamine has supplanted cocaine as the primary drug threat in most western states and many midwestern states and has emerged as a major concern in the the Southeast. The report goes on to say that "the threat posed by methampehetamine is due to its increasing popularity and rapidly addictive properties, (and) the violent behavior sometimes associated with its use…"

In previous years, this Administration has testified that Mexico deserved to be certified because Mexico is taking "significant actions" and making "substantial commitments" to address the drug trade. A year later, these "commitments" appear to be only words and misplaced hope by the Clinton administration.

The G.A.O.'s July 1999: "Update on U.S.-Mexican Counternarcotics Activities" served as an important midpoint check on progress. The report paints a bleak picture of cooperation by the government of Mexico, and states that,

"Mexico continues to be the primary haven for money laundering in Latin America." And that "there remains no single, binational plan to address border problems".

The United States and Mexico share a 2,000 mile border. Sadly, the border has become the stage for violence and drug trafficking. Consider the discovery of the mass graves along the border with Texas. This tells a clear and convincing story of the brutality of the Mexican drug cartels and their complicity with government officials. Again, on our border with Mexico just yesterday, it was reported in the New York times that the Police Chief of Tijuana was assassinated by four gunmen who put at least 100 shots into his vehicle as he drove home from Mass.

Today, the challenges faced by U.S. law enforcement officials along the southwest border with Mexico are multiplying every day.

The G.A.O. report indicates that between "September 1996 and February 1999, D.E.A. recorded 141 threats or violent incidents against U.S. law enforcement personnel, their Mexican counterparts and public officials".

Additionally, in Mexico, U.S. drug enforcement agents are not allowed to adequately protect or defend themselves.

Now we hear that $200,000 bounties have been placed on the heads of U.S. law enforcement officers by Mexican drug traffickers.

These brazen and arrogant criminal organizations have amassed tremendous power and influence in the day-to-
day lives of not only the Mexican people but in the lives of American citizens as well. In reality, our law enforcement officers are indeed involved in a war. An example of this was the cold-blooded murder of U.S. Border Patrol Agent Alexander Kirpnick on June 3rd. 1998. Unfortunately, these actions and threats will be repeated in the future by those who amass the power and money involved in drug trafficking. There exists today a clear and present danger to our men and women of law enforcement along the southwest border. My concern is that by not demanding more of our Mexican colleagues, we allow these tragedies to continue.

Tomorrow, we expect the Administration to release its annual certification determinations. I have a difficult time believing that this Administration would certify Mexico as fully cooperating with the law enforcement efforts of the United States in stopping drugs. It troubles me to think that we have set a standard, and Mexico has failed to meet that standard again and again, and yet the administration turns a blind eye to the obvious: there is no satisfactory cooperation with the government of Mexico. I am sensitive to the fact that our trading relationship with Mexico is vital. However, we must not forget the thousands of lives that are lost each year to drugs. As Representatives of the people, we owe them this effort, we owe them this oversight hearing, we owe them the truth. It is more than our job, it is our duty… and we shall not shrink from it.

Mrs. MINK. Thank you, Mr. Chairman.

These hearings are very important, although perhaps somewhat premature, because the announcement from the State Department has not been issued, and will not be, until tomorrow. But given the fact that we have only 30 days in Congress in order to discuss this issue and to make a decision as to whether we agree or disagree with the administration, I believe it is appropriate to begin the hearings today to try to examine what has happened in the last 12 months.

I think it is important that we rely upon facts that we have gathered in the last 12 months in making our assessment and in discussing the issues that are before Congress. What happened beyond that time, previous, I do not believe is germane to the issue.

The issue is whether the requirements and standards and conditions that the United States felt were fair—fairly imposed upon Mexico have in fact been adhered to, or at least some measured progress to meet those standards; and that is the job and task that is before the Congress, to look at the recommendations of the administration and to make our own independent judgment.

Much is dependent upon an objective, fair assessment of the situation because, as you know, the United States and Mexico share a common border and not only a common border, but a common economy. The United States is Mexico's most important customer and we purchase a tremendous, wide array of goods and services that are necessary for their economy. The United States also provides about 62 percent of Mexico's imports, so we are an important trading partner.

Nevertheless, it is not that trading partnership that is under examination today, nor should it weigh in as a factor in deciding whether the decertification should be insisted upon or whatever the administration recommends.

There is no doubt that the country of Mexico is a principal transit country for 50 to 60 percent of the cocaine and up to 80 percent of the methamphetamine precursor chemicals. It is also a major producer of marijuana and heroin and may be responsible for up to 30 percent of heroin and 70 percent of foreign-grown marijuana entering the United States.

It is highly unusual, in my understanding of international relations, for our country or any other country to interpose standards of conduct upon another foreign nation. But that is not the issue in these examinations. The issue is the impact upon our citizens of an uncontrolled quantity of drugs coming across the border.

I have said in numerous hearings that the United States has an equal obligation to inquire as to the efficacy of our own law enforcement agencies and the standards that we lay in examining to what extent we are capable and insistent upon interdicting and arresting and putting the full force and power of our law enforcement agencies against these unconscionable intrusions of drugs into our communities. We have a job to do to decrease demand, to insist upon prevention and treatment; and so, as we examine the implications of Mexico's conduct or failure of conduct, we need to also closely examine our own situation within the United States.

These are very serious deliberations. I hope that they are not done in any partisan way to seize political advantage over the

issue. This question is far too serious for that type of approach. We need to look at the facts. We need to examine the fairness of our evaluation and to seriously consider all aspects of this issue.

It is an important question that Congress has laid appropriately before the people of this country, through the Congress, and I believe that this subcommittee is fully prepared to exercise that nonpartisan decisionmaking responsibility that it undertook several years ago.

Thank you very much, Mr. Chairman.

[The prepared statement of Hon. Patsy T. Mink follows:]

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OPENING STATEMENT
CONGRESSWOMAN PATSY T. MINK
Subcommittee on Criminal Justice,
Drug Policy and Human Resources
Hearing on
"U.S./MEXICO COUNTER-NARCOTICS EFFORTS"
Tuesday, February 29, 2000
10:00 a.m.
2154 Rayburn House Office Building

Mr. Chairman, thank you for convening today's hearing. The United States and Mexico are linked by history, culture, and geography. About six million people living in the United States were born in Mexico and about one in 16 American citizens are of Mexican descent. More than one-half million Americans live in Mexico.

The United States and Mexico share a common border which spans 2000 miles and includes the states of California, Arizona, New Mexico and Texas. The United States is Mexico's most important customer, receiving about 70% of Mexico's exports, including petroleum, automobiles, auto parts and winter vegetables. Additionally, the United States provides about 62% of Mexico's imports.

Unfortunately, not only legal trade comes across the Southwest Border. According to the Department of State, Mexico is the principal transit country for 50-60% of cocaine and up to 80% of methamphetamine precursor chemicals. Additionally, the State Department estimates that Mexico is a major producer of marijuana and heroin, and may be responsible for up to 30% of heroin and 70% of foreign grown marijuana entering the United States.

Based on those percentages, in November 1999, the Department of State named Mexico, along with 25 other countries, as a major drug producing /drug transit country. Under the Foreign Assistance Act, on March 1, the President must release a determination of whether these major drug producing/drug transit countries have taken

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steps to cooperate with the United States in stemming the flow of drugs. It would appear that our examination today of the U.S. and Mexico's counter-narcotics efforts is intended to address the questions raised in a certification decision.

Tomorrow, we will learn the President's certification decision on Mexico. There has been speculation that on March 1, 2000, the President will certify Mexico as a fully cooperating country. If so he will join Presidents Reagan and Bush in certifying Mexico. However, today, we do not know what the decision will be.

Under the law, if we do not agree with the President's determinations, we have 30 days to overturn it. I know that the members of this subcommittee are aware of this process because following the President's decision last year to certify Mexico, the Chairman and Mr. Gilman introduced a resolution to disapprove the determination. The House did not act on the measure.

I do not know the outcome of the President's deliberations, and do not deny the serious drug threat in Mexico. However, I also cannot deny that there have been efforts by both governments to help stem the problems of drugs, corruption and crime. In January 2000 alone, Secretary of State Albright met with Foreign Secretary Green of Mexico to review the status of bilateral issues, including counter narcotics policy, between the United States and Mexico. Following that meeting, Mexican government officials announced that they were more than doubling counter-narcotics expenditures in the current year's budget in an effort to enhance resources, improve strategy and coordination, and increase seizures of illicit narcotics.

Mr. Chairman, I do not know whether Mexico has done enough. I have not had access to the information available to the President. However, I am willing to wait until the decision has been made and announced before I make that determination.

Thank you for holding today's hearing. I look forward to hearing from the witnesses.

Mr. MICA. I thank the ranking member and remind members of the subcommittee, that on Monday we will be in California and Sacramento at the request of Mr. Ose on narcotics trafficking, a field hearing; and on Tuesday we will be at the United States-Mexican border conducting a hearing—I believe it is in Mr. Bilbray's district in San Diego—on continuation of this issue. All members are invited to attend and participate.

Mr. Gilman, thank you for being here, and you are recognized.

Mr. GILMAN. Thank you, Chairman Mica. I want to thank you for conducting this timely hearing prior to the administration's acting on certification in Mexico.

Regrettably, the administration for many years has failed to apply the law faithfully when it comes to its annual March 1 annual certification of Mexico's antidrug cooperation; and despite our Ambassador to Mexico Jeffrey Davidow's statement just last week, "The fact is that the headquarters of the drug trafficking world are now in Mexico," we expect that this year is not going to be any different.

The State Department's assessment of Mexico's antidrug performance is simply not objective. Our diplomats are resigned to writing annual assessments that place Mexico's unsatisfactory cooperation in the best possible light. Our Nation is ill-advised and ill-served when the bureaucracy feels obliged to help our President paint an inaccurate picture of an issue as important as Mexico's cooperation in our joint fight against drugs.

Drug Czar General Barry McCaffrey has raised the drug policy to a high art, and after years of high-level cooperation, including a trumpeted 1997 joint analysis, United States and Mexican officials do not even agree on how extensive the drug problem is or whether it is getting any better or worse. Our governments have yet to agree on how to implement the highly touted "performance measures of effectiveness" which are intended to assess real progress toward our common strategy for combating drugs.

Moreover, despite the honesty and cooperation of some senior Mexican antidrug officials, improvements in eradication and recent maritime seizures, there has been no major progress in uprooting the drug cartels that are doing business with virtual impunity in Mexico.

We respectfully call the following salient facts to the attention of our Secretary of State, including the following.

Mexico's counternarcotics efforts are hamstrung by overly centralized decisionmaking, by appalling inefficiency and by rank-and-file law enforcement corruption. A good example of those problems is found in the Mexican Government's much-heralded arrest of Amezcua cartel officials in October 1998. Two lawyers in the Mexican attorney general's office allowed a corrupt drug informant in that case, Gilberto Garcia, to walk free in Cancun in exchange for a suspected cash bribe. Mr. Garcia may be in custody and waiting extradition, but neither of these officials was prosecuted for their apparent complicity, confirming the worst suspicions about the vulnerability of even-handed, vetted units.

The highly touted Special Investigative Unit [SIU], has virtually been shut down as part of a dispute between Mexico and United States officials about how we should be screening SIU members.

Mexican authorities, apparently fearing that wiretaps might snare corrupt officials, are said to have further rendered the SIU impotent.

Situations in Mexico continue to deteriorate rapidly. Drug kingpins, few of whom have been extradited to our Nation, operate with virtual impunity in Matamoros and Ciudad Juarez and Cali and Tijuana, Baja California and Norte. These drug traffickers operate as virtual feudal lords in border Sierra states, corrupting or handpicking local government officials.

Our own law enforcement agents are in constant mortal danger from these traffickers. Despite years of our Nation's pleas, Mexico refuses to authorize our law enforcement agents to legally carry arms to defend themselves. As if we needed more evidence of the danger to our good antidrug agents, we now have the news that Chairman Mica just recited, that Tijuana Police Chief Alfredo de la Torre was driving to his office this past Sunday when gunmen using rifles and 9-mm pistols pulled up along side his black suburban and fired 99 rounds into the car, killing him.

Mexico's position on this matter defies logic. It is apparent from all of the facts that we have seen and heard, the administration is going to have to do more than just talk about Mexico's cooperation.

Talk is cheap. The cost to our young people for the increased manufacture and distribution of cocaine and heroin and methamphetamines, the emergence of Mexican criminal groups and the intelligence gaps simply are too high a price to pay. Much is going to have to be done to improve our relationship with Mexico in our drug war and much more should be done before we certify Mexico.

Thank you, Mr. Chairman.

Mr. MICA. I thank the gentleman.

I recognize now Mr. Tierney from Massachusetts.

Mr. TIERNEY. Mr. Chairman, I thank you for having this hearing and just associate myself with the remarks of the ranking member.

Mr. MICA. Thank you.

I recognize Mr. Hutchinson.

Mr. HUTCHINSON. Thank you. I will try to be brief.

I thank the witnesses for being here today and I am grateful for this hearing. I returned from Mexico in January—very instructive—and I think about two things that really struck me as I was there.

One, methamphetamine is a serious problem in Arkansas, and my drug director in Arkansas said 50 percent of our methamphetamine comes from Mexico. I was in Guadalajara, and I asked the Mexican officials—I said how many lab seizures did you have, and the answer was somewhere between 15 and 30. I said was that just in Guadalajara, and they said, no, that is the entire country of Mexico. In Arkansas, we had over 500 lab seizures last year, and that sort of points up the contrast as to how you measure success, perhaps.

The other thing that struck me was before I went there I asked the DEA—and I trust Mr. Ledwith will correct me—as to how much aid we give to Mexico; and I believe it is about $17 million in antinarcotics efforts. In contrast, we are talking about sending down to Colombia one-point-some billion dollars, and Mexico is in

the $17 million range; and of course the other thing that is amazing, the Mexican Government didn't ask for more money.

I think the issue is, how can we improve performance? How can we improve cooperation? How can we bring Mexico into being a part of our cooperating countries to a higher level in working with the United States, working with our DEA, working with our extradition efforts?

I was just reading the material, and the striking statistic of the Attorney General, who indicated, I think, 1,400 Mexican law enforcement officials were dismissed for corruption over a couple-year period. I was delighted that the report I get is that the American businesses there are starting to put pressure and demanding more action by the Mexican Government. American businesses are used to dealing in a society that has or respects the rule of law, and we have to be able to develop that there.

So I am just citing that as a little background and some of the observations that I had.

I look forward to the testimony of the witnesses and addressing how we can improve our cooperation and our success rate, protect the DEA and really bring them in, the Mexican Government, bring them in to joining our effort in fighting drugs.

I yield back the balance of my time.

Mr. MICA. I thank the gentleman.

Now we will turn to our first panel. The first panel consists of Mr. William Ledwith. He is the Director of International Relations for our Drug Enforcement Administration. We also have Ms. Mary Lee Warren, Deputy Assistant Attorney General, Criminal Division of the Justice Department; and Mr. John Montoya, he is with the U.S. Border Patrol, Sector Chief from Laredo. Welcome to all of our witnesses.

As you know, this is an investigations and oversight subcommittee of Congress and of the Government Reform Committee. We do swear in our witnesses.

[Witnesses sworn.]

Mr. MICA. The witnesses answered in the affirmative.

We have at least one new witness here today and two veterans. We try to limit your remarks. We won't run the clock this morning since we have two short panels, but if you have lengthy documentation or information you would like to have made part of the record, we will do that upon unanimous consent.

At this time, I am pleased to recognize Mr. William Ledwith, Director of International Operations for DEA.

Welcome and you are recognized, sir.

STATEMENTS OF WILLIAM LEDWITH, DIRECTOR OF INTERNATIONAL OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION; MARY LEE WARREN, DEPUTY ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION, DEPARTMENT OF JUSTICE; AND JOHN MONTOYA, U.S. BORDER PATROL SECTOR CHIEF, LAREDO

Mr. LEDWITH. Good morning, Chairman Mica, Congresswoman Mink, and other distinguished members of the subcommittee. I appreciate the opportunity to appear before the subcommittee today

to discuss the issue of the United States and Mexican counternarcotics efforts.

I would like first to thank the subcommittee for its continued support of the Drug Enforcement Administration and overall support of drug law enforcement. Thank you.

My testimony today will provide you with an objective assessment of the law enforcement issues and concerns surrounding the drug threat posed by international drug trafficking organizations operating from Mexico. As you are aware, DEA's primary mission is to target the highest, most sophisticated levels of international drug trafficking organizations operating today.

Due to the ever-increasing legitimate cross-border traffic and commerce between the United States and Mexico, several Mexico-based international organized crime groups have emerged and flourished. In fact, recent reporting indicates that the United-States-Mexican border remains a major point of entry for approximately 70 percent of all illicit drugs smuggled into our country. These groups have established elaborate smuggling infrastructures on both sides of the border. Furthermore, these criminal organizations spawn violence, corruption and intimidation that threaten the safety and stability of our cities and towns across America.

Following the dismantling of the Medellin drug cartel during the late 1980's, the Cali drug cartel formed an alliance with Mexican trafficking groups in order to stage and transport drugs through Mexico and across the Southwest border. With the disruption of the Cali syndicate during the early part of the 1990's, Mexican trafficking groups consolidated their power and began to control drug trafficking along the United States-Mexican border. In response to the emergence of these Mexican drug trafficking organizations, it became apparent that a coordinated strategy for law enforcement counterdrug activities be implemented. DEA in concert with other Federal agencies established the Southwest border initiative, an integrated, coordinated law enforcement effort designed to attack the command and control structure of organized criminal operations associated with the Mexican federation. This strategy focuses on both intelligence and enforcement efforts which target drug distribution systems within the United States, and direct resources toward the disruption of those principal drug trafficking organizations. A vital component of this strategy involve the formation of a joint DEA, DOJ, FBI and U.S. Customs Service project that resides within DEA's Special Operations Division. Its mission is to coordinate and support regional and national criminal investigations and prosecutions against the trafficking organizations that most threaten the United States.

Two sections that are the heart of the Southwest border project have focused their efforts exclusively on the principal Mexican drug trafficking organizations. They aim at the command and control networks of these identified organizations and their supporting groups.

One such example of the effectiveness of this SOD component was Operation Impunity, which is a 2-year international investigation that culminated in the arrest of over 106 individuals linked to the Carrillo-Fuentes drug trafficking organization headquartered in Cancun, Mexico. The investigation encompassed 53 DEA, FBI and

U.S. Customs Service case investigations incorporating 14 Federal judicial districts. In addition to the arrests, this investigation has resulted in 36 seizures, netting some 12,434 kilograms of cocaine, half a kilo of heroin, 4,800 pounds of marijuana and more than $19 million in U.S. currency.

Operation Impunity resulted in unparalleled coordinated and cooperative effort among the law enforcement community of the United States. Within Mexico, the DEA and the Government of Mexico's equivalent to the DEA, FEADS, continued to conduct joint investigative endeavors throughout Mexico. The joint investigations are being conducted with the two primary investigative components of the FEADS-vetted units, the sensitive investigative units and the base intelligence units.

The achievements of the BIU and the SIU, as related to cases against the major Mexican drug trafficking organizations, are minimal. The inability of these units to fully employ the provisions of the organized crime law, to promptly investigate these major organizations, has been equally disappointing.

As has been discussed and testified to previously, it is no secret that elements of the Mexican Government have been mired in corruption for years. In fact, the Federal preventive police was created in 1999 in response to the existing corruption within the police ranks. The Government of Mexico reported since April 1997, more than 1,400 of the 3,500 Federal police officers have been fired for corruption and 357 of the officers have been prosecuted.

Perhaps the most alarming incident involving Mexican police officials occurred on November 9, 1999, when a DEA special agent and an FBI special agent were debriefing a confidential source in Matamoras, Mexico. During the course of this debriefing, the special agents and the confidential source were surrounded and physically threatened by documented Mexican trafficker Osiel Cardenas-Guillen and approximately 15 armed associates. Each of these associates, one of whom was brandishing a gold-plated automatic assault weapon were either municipal or state police officers.

Furthermore, despite monitoring the entire incident over the DEA agent's special cellular telephone, who had called to request assistance, the state judicial police commander took no action. Due only to their resourcefulness and ability to diffuse this potentially fatal encounter were the agents and the confidential source able to survive unharmed.

Among other issues, this incident highlights the vulnerability of DEA and FBI special agents working in Mexico. Recently, however, judicial efforts to stop corruption are under way. On January 11, 2000, a Mexican Federal judge issued an arrest warrant for the magistrate who wrongly freed a methamphetamine trafficker. Then on February 3, 2000, the Mexican Federal supreme court ruled that the suspended Morelos Governor, Jorge Carrillo-Olea, could be brought to trial for protecting drug trafficking and kidnapping activities. Olea, a retired general and former director of Mexico's civilian intelligence agency and former antidrug commissioner for the attorney general's office, was ordered by the Federal supreme court to be placed under house arrest by the PGR. The PGR, however, has yet to take him into custody. This is the first time the

Federal supreme court ruled to refer a Governor or executive branch official to trial.

Although a treaty has been in existence with Mexico since 1978, no extradition requests were signed by the Mexican foreign relations ministry until 1996. Consistent with this, no major drug traffickers were extradited to the United States in 1999. The Mexican Government did extradite 10 fugitives on narcotics-related or money-laundering offenses during 1999, eight United States citizens and two Mexican citizens. One Mexican citizen, a low-level drug trafficker, was sought on drug charges after escaping from a United States prison while serving a sentence on drug-related crimes. The other Mexican citizen, who had killed a United States Border Patrol agent, was sought on murder and marijuana smuggling charges.

In conclusion, Mexico is a country of great strategic importance to the United States, and counternarcotics is one of the most critical aspects of that relationship. The effectiveness of national and bilateral efforts against drug organizations will depend largely on demonstrable process and disrupting and dismantling these transnational narcotics trafficking organizations. This includes apprehending, prosecuting and convicting major drug traffickers and exposing and prosecuting individuals and businesses involved in providing critical support networks such as front companies, security, transportation and the like. Therefore, it is vital for the DEA, along with other U.S. Government agencies, to continue to support the Government of Mexico in the field of counternarcotics operations. In turn, however, it is hoped that the Government of Mexico will provide adequate investigative manpower, financial resources, equipment, and reciprocal drug intelligence in support of bilateral drug law enforcement.

DEA will continue to promote bilateral cooperation to improve law enforcement. It is abundantly clear that concerted law enforcement efforts such as Operation Impunity, will significantly improve our ability to counter and eliminate transnational drug trafficking organizations.

I want to thank you for the opportunity to testify before the committee today. I will be happy to answer any questions you have. Thank you.

Mr. MICA. Thank you.

[The prepared statement of Mr. Ledwith follows:]

Remarks by

William E. Ledwith
Chief of International Operations
Drug Enforcement Administration
Before
The Subcommittee on Criminal Justice, Drug Policy
and Human Resources
February 29, 2000

Chairman Mica, Congresswoman Mink and distinguished members of the Subcommittee: I appreciate this opportunity to appear before the Subcommittee today to discuss the issue of the U.S. and Mexican Counter-narcotics efforts. I would like first to thank the Subcommittee for its continued support of the Drug Enforcement Administration (DEA) and overall support of drug law enforcement. My testimony today will provide you with an objective assessment of the law enforcement issues surrounding the drug threat posed by international drug trafficking organizations operating from Mexico. These criminal organizations based in Mexico pose the greatest challenge to U.S. law enforcement agencies charged with enforcing narcotics laws. Due to the ever-increasing legitimate cross-border traffic and commerce between the U.S. and Mexico, several international organized crime groups have established elaborate smuggling infrastructures on both sides of the U.S./Mexico border. Furthermore, it has long been established that in addition to drug trafficking, these international criminal organizations spawn violence, corruption, and intimidation that threaten the safety and stability of our cities and towns across America.

The complex and sophisticated international drug trafficking groups operating out of Mexico are oftentimes vicious, destructive entities, that operate on a global scale. The four largest drug trafficking organizations in Mexico --- operating out of Guadalajara, Juarez, Mexicali, Tijuana, Sonora, and the Gulf region --- under the auspices of Vicente Carrillo-Fuentes, Armando Valencia-Cornelio, Miguel Caro-Quintero, Ramon and Benjamin Arellano-Felix, and Osiel Cardenas-Guillen are in many ways, the 1990's versions of the mob leaders and groups that U.S. law enforcement has fought against since the beginning of last century. These international organized crime leaders, however, are far more dangerous, far more influential and have a greater impact on our day-to-day lives than did their domestic predecessors.

Those international traffickers and their organizations make operational decisions from places like Sonora, Mexico and other locations outside U.S. borders, which detrimentally affect the quality of life of our citizens and directly support drug-related crime in cities and towns across our country. These groups have reached new levels of

sophistication and have become a threat not only to the United States and Europe, but also to their own countries. Their power and influence are unprecedented. Unless innovative, flexible, multi-faceted responses are crafted, these drug trafficking organizations threaten to grow even more powerful in the years to come.

The Damage to the United States:

In order to understand the extent and nature of the damage caused by international drug trafficking organizations, it is crucial to look at how these organizations work, and how they infiltrate and position themselves in U.S. communities in order to further their goals.

On any given day in the United States, business transactions are being arranged between the major drug lords headquartered in Mexico and their surrogates who have established roots within the United States, for the shipment, storage and distribution of tons of illicit drugs. In the past, Mexico-based criminal organizations limited their activities to the cultivation of marijuana and opium poppies for subsequent production of marijuana and heroin. The organizations were also relied upon by Colombian drug lords to transport loads of cocaine into the United States, and to pass on this cocaine to other organizations who distributed the product throughout the U.S. However, over the past several years, Mexico-based organized crime syndicates have gained increasing control over many of the aspects of the cocaine, methamphetamine, heroin and marijuana trades, resulting in increased threats to the well-being of American citizens as well as government institutions and the citizens of their own country.

In the recent past, traffickers from Mexico had maintained dominance in the western part of the United States, and in some Midwest cities. Today, the Drug Enforcement Administration, along with other law enforcement agencies, developed evidence leading to indictments demonstrating that associates of organized crime groups based in Mexico have established themselves on the East Coast of the United States, thus becoming significant participants in the nationwide drug trade.

Mexican Traffickers Rise to Prominence:

During 1995 and 1996, intense law enforcement pressure was focused on the Cali leadership by the brave men and women of the Colombian National Police. As a result, all of the top trafficking leaders from Cali were either jailed or killed. During that time frame, U.S. law enforcement agencies were effectively attacking Colombian cells operating within the United States. With the Cali leaders imprisoned in Colombia and the successful attacks by law enforcement on their U.S. cells, traffickers from Mexico took on greater prominence. A growing alliance between the Colombian traffickers and the organizations from Mexico worked to benefit both sides. Traffickers from Mexico had long been involved in smuggling marijuana, heroin, and cocaine across the U.S.-Mexico border, using established distribution routes to deliver drugs throughout the

United States. The Mexico-based organizations' emergence as major methamphetamine producers and traffickers also contributed to making them a major force in international drug trafficking. The Mexican traffickers, who were previously paid in cash by the Colombian traffickers for their services, began to routinely receive up to one-half of a shipment of cocaine as their payment. This led to Mexican traffickers having access to multi-ton quantities of cocaine and allowed them to expand their markets and influence in the United States, thereby making them formidable cocaine traffickers in their own right.

With the disruption of the Cali syndicate, Mexican groups such as the Amado Carrillo-Fuentes organization, the Arellano-Felix cartel, the Amezcua-Contreras brothers, and the Caro-Quintero group, consolidated their power and began to dominate drug trafficking along the U.S.-Mexico border and in many U.S. cities. Recent events in Mexico and along the southwest border emphasize the fact that trafficking groups from Mexico have developed into a significant force in international organized crime.

Overview of Narcotics Smuggled along the U.S./Mexican Border:

Recent estimates indicate that approximately 55% of the cocaine available in the United States is transported across the U.S.-Mexico border. Typically, large cocaine shipments are transported from Colombia, via commercial shipping, fishing and "Go-fast" boats and off-loaded in Mexico. The cocaine is transported through Mexico, usually by trucks, where it is warehoused in cities like Guadalajara, Tijuana or Juarez, that are operating bases for the major criminal trafficking organizations. The extremely high volume of vehicular traffic over the U.S./Mexico border allows cocaine loads to be driven across the border and taken to major distribution centers within the U.S., such as Los Angeles, New Jersey, Chicago or Phoenix. Surrogates of the major drug lords wait for instructions, often provided over encrypted communications devices-- --phones, faxes, pagers or computers---telling them where to warehouse smaller loads, who to contact for transportation services, and who to return the eventual profits to. Individuals sent to the United States from Mexico and often here illegally, have been shown to have contracted with U.S. trucking establishments to move loads across the country. Once the loads arrive in an area that is close to the eventual terminal point, safehouses are established for workers who watch over the cocaine supplies and arrange for it to be distributed by wholesale dealers within the vicinity. These distributors have traditionally been Colombian nationals or individuals from the Dominican Republic, but recently, DEA has come upon evidence that Mexican trafficking organizations are also directly involved in cocaine distribution in New York City.

We have not only identified the drug lords themselves, but in most cases, the key members of their command and control structure. The combined efforts of the DEA, FBI, DOJ, the U.S. Customs Service and members of state and local police departments have resulted in the seizure of hundreds of tons of drugs, hundreds of millions of dollars in drug proceeds and most importantly, several significant indictments. In fact, some of the leaders of these organizations---Ramon and Benjamin Arellano-Felix, Jesus Amezcua-

Contreras, Vicente Carrillo-Fuentes----have become familiar names in every major law enforcement department in the United States. Despite this evidence, along with the notoriety, these traffickers have continued to evade arrest and prosecution.

The primary reason they have been able to avoid arrest and continue their criminal enterprise is their ability to intimidate witnesses and assassinate and corrupt public officials. Clear examples of this point may be cited in recent efforts to apprehend members of the Arellano Felix cartel and the Cardenas Guillen cartel, based in Tijuana and Matamoros, Mexico, respectively. In Tijuana over the past year, Mexican officials, with support from the DEA, have unsuccessfully attempted to apprehend key traffickers working for the Arellano Felix organization. In November 1999, major Gulf cartel drug trafficker Osiel Cardenas Guillen illegally detained and assaulted two U.S. drug enforcement agents in Matamoros, Mexico, across the international border from Brownsville, Texas.

Methamphetamine traffickers, oftentimes associated with major Mexican organized crime groups, obtain the precursor chemicals necessary for methamphetamine production from sources in other countries, such as China and India, as well as from rogue chemical suppliers in the United States. In fact, Mexico-based transnational criminal organizations have become the most significant distributors in the U.S. of methamphetamine and its precursor chemicals. Several bulk ephedrine seizures destined for Mexico have focused attention on the magnitude of ephedrine acquisition by Mexican organized crime groups. Super methamphetamine labs, capable of producing hundreds of pounds of methamphetamine on a weekly basis, are established in Mexico or in California, where the methamphetamine is provided to traffickers to distribute across the United States.

These methamphetamine organizations based in Mexico also have well established, polydrug distribution networks in place throughout our country. The Mexican trafficking organizations have single-handedly created a new booming demand for methamphetamine, moving it in mass quantities eastward across the country-far beyond the traditional West and Southwest markets.

Heroin from Mexico now represents 14% of the heroin seized in the United States by federal authorities, and it is estimated that 43 metric tons of opium gum was produced in 1999 in Mexico. A recent study conducted by the DEA indicates that as much as 29% of the heroin being used in the U.S. is being smuggled in by the Mexico-based organized crime syndicates. Mexican black tar heroin is produced in Mexico, and transported over the border in cars and trucks. Like cocaine and methamphetamine, it is trafficked by associates of the organized criminal groups in Mexico, and provided to dealers and users in the Southwest, Northwest, and Midwest areas of the United States. At one time, it was commonplace for couriers to carry two pounds or so of heroin into the United States; recently, quantities of heroin seized from individuals has increased as is evidenced by larger seizures in a number of towns in Texas. This heroin is extremely potent, and its use has resulted in a significant number of deaths.

Marijuana from Mexico still dominates the illicit U.S. import market although U.S. experts estimate Mexico's marijuana production at 3,700 metric tons (compared with 4,600 in 1998 and 4,800 in 1997). In addition, during 1999, the GOM eradicated some 23,547 hectares of marijuana (down from 24,200 in 1998). Seizures of Mexican marijuana have increased from 102 metric tons in 1991 to 836.3 metric tons in 1999. Marijuana organizations from Mexico are very powerful and violent. In some places, traffickers from Mexico have established growing operations within the United States. In a recent case in Idaho, DEA , working with other federal, state and local law enforcement officials, arrested a group of illegal aliens from Zacatecas, Mexico. A total of 114,000 marijuana plants, weighing almost 20 tons, were seized. This operation represented the largest marijuana seizure ever in the state of Idaho.

It is important to note that although many of the transactions relating to the drug trade take place on U.S. soil, the major organized crime bosses direct each and every detail of their multi-billion dollar business while situated in Mexico. They are responsible not only for the business decisions being made, but ultimately for the devastation that too many American communities have suffered as a result of the influx of cocaine, methamphetamine, heroin and marijuana. These powerful and organized syndicates can frustrate the ability of the Mexican anti-drug police. Their ability to place obstacles such as corruption and unlimited resources in the path of police can oftentimes impede investigations. In the past year, none of the major Mexican trafficking organizations have been dismantled or significantly disrupted by Mexican authorities.

Law Enforcement Response:

Reporting indicates that the Southwest border (SWB) remains a major point of entry for approximately 70% of all illicit drugs smuggled into our country by Mexican trafficking groups. In response to this continued threat along the border, the DEA has established several initiatives that facilitate and improve intelligence and information sharing, while identifying and removing impediments to cooperation. These initiatives employ a multi-pronged strategy, which utilizes and combines law enforcement operations, intelligence operations, and provides for law enforcement assistance in order to achieve success in combating criminal drug trafficking organizations along the border. The objective of these initiatives are to disrupt and ultimately dismantle criminal organizations that smuggle illicit drugs into the U.S. by linking Federal, state and local investigations domestically and mobilizing multilateral enforcement efforts abroad. Based upon past trends, intelligence, and recent seizures along the border, the DEA has established the following priorities for the SWB Field Divisions: (1) cocaine investigations involving violent organizations; (2) methamphetamine investigations, (3) heroin investigations, (4) marijuana investigations, (5) money laundering investigations and (6) diverted/dangerous drug and chemical investigations.

Enforcement Operations/Strategies:

In response to the emergence of these Mexican Drug Trafficking Organization's (MDTO), it became apparent that a coordinated strategy for law enforcement counterdrug

activities needed to be implemented. In order to combat drug production and trafficking networks operating along the U.S./Mexican border, DEA, in concert with other Federal agencies established the Southwest Border Initiative – an integrated, coordinated law enforcement effort designed to attack the command and control structure of organized criminal operations associated with the Mexican Federation. This strategy focuses on intelligence and enforcement efforts which target drug distribution systems within the U.S. and directs resources toward the disruption of those principal drug trafficking organizations operating across the border.

As such, DEA, in cooperation with other Federal, state and local law enforcement agencies is focusing increased intelligence, technical resources and investigative expertise on the major MDTO's responsible for smuggling vast quantities of cocaine, heroin, marijuana and methamphetamine across the border.

Apart from this effort, DEA and the Federal Bureau of Investigation (FBI) also provide operational planning, intelligence and training to Government of Mexico (GOM) law enforcement authorities, to strengthen their capacity to combat these organizations. The Southwest Border strategy targets specific Mexican trafficking organizations operating across the border and attacks their command and control infrastructures wherever they operate.

Further, the Special Operations Division (SOD)is a joint national coordinating and support entity comprised of agents, analysts, and prosecutors from DOJ, Customs, FBI, DEA and IRS. Its mission is to coordinate and support regional and national criminal investigations and prosecutions against trafficking organizations that most threaten the U.S. SOD performs seamlessly across both investigative agency and district jurisdictional boundaries, providing field offices with necessary support, assistance, intelligence analysis and "leads" for investigative action. Within SOD, no distinction is made among the participating investigative agencies. Where appropriate, state and local authorities are fully integrated into coordinated operations. As presently configured, SOD consists of five sections; each of which has both DEA and FBI personnel assigned. One section targets Colombian Trafficking Organizations, a second concentrates on cocaine and heroin trafficking in Europe and Asia, a third targets money laundering organizations and the remaining two sections are the heart of the Southwest Border Project and focus their efforts on the principal MDTO's. These two sections target, among other things, the command and control networks of the identified MDTO's, and their supporting organizations operating along the Southwest border. As such, the interagency regional objectives are as follows; (1) Intelligence collection and analysis, (2) Investigations, (3) Interdiction and Enforcement and (4) Prosecution and Incarceration. The following operation delineates the need and significance for such a multi-agency project:

- **Operation Impunity:**

In September 1999, the DEA announced the conclusion of a two-year international investigation that culminated in the arrest of over 106 individuals linked to the Amado

Carrillo Fuentes (ACF) drug trafficking organization, headquartered in Cancun, Mexico. This investigation, known as "Operation Impunity", was a multi-jurisdictional, multi-agency investigation which directly linked drug trafficking activity in the United States to the highest level of the Mexican cocaine trade.

This investigation began in January 1998 and was conducted jointly by the DEA, FBI, USCS, U.S. Attorney's Office, DOJ/Criminal Division and a host of state and local law enforcement agencies. The investigation encompassed 53 DEA, FBI and USCS case investigations which spans 14 Federal judicial districts. Since 1998, this investigation has resulted in 36 seizures, netting 12,434 kilograms of cocaine, a half a kilo of heroin, 4,806 pounds of marijuana, more than $19 million in U.S. currency, and the arrest of 106 individuals.

The above statistics only tell part of the story. Operation Impunity demonstrated an unparalleled coordinated and cooperative effort among the law enforcement community. Overall, this investigation allowed the law enforcement community to ascertain this organization's method of operation from the narcotic distribution in Colombia to the transportation through Mexico to the ultimate distribution networks throughout the U.S. Such success clearly demonstrates the need for the continuation of long term, multi-agency investigations.

Cooperative Efforts with the Government of Mexico/Status of Vetted Units:

Subsequent to the arrest of General Gutierrez Rebollo in 1997 and the establishment of mechanisms within the Mexican law enforcement infrastructure, such as the Bilateral Task Forces (BTF's) and the Vetted Unit program, DEA became cautiously optimistic relative to the prospects of the GOM's commitment to bilateral investigations. The DEA has supported these programs financially and with other resources in hope that our efforts would result in a successful attack against the drug lords who are creating so much havoc throughout communities in the United States. However, continuing reports of corruption and the rapidly growing power and influence of the major organized criminal groups in Mexico cause us great concern about the long-term prospects for success. Perhaps, the arrest of Operation Impunity target Jaime Aguilar Gastelum and Operation Millennium target Guillermo Moreno-Rios, by Mexican authorities, is indicative of the GOM's future commitment to such joint ventures.

However, in the last year the Vetted Units Program in Mexico has not achieved the potential as originally envisioned by both governments. In order to presently address this issue, the DEA and the Government of Mexico's equivalent to the DEA, the Fiscalia Especializada Para la Atencion de Delitos Contra la Salud (FEADS), have agreed to carefully review the Program and establish ways to improve its efficiency and effectiveness against mutually agreed investigative targets. The DEA and FEADS also continue to conduct joint investigative endeavors throughout Mexico. The joint investigations are being conducted with the primary investigative component of the FEADS vetted units --the Bilateral Task Forces (BTF's). However, the DEA has not

worked with the remaining vetted units due to diminished efforts of the Government of Mexico/PGR to better organize them into a well-engaged work force.

However, the investigative achievements by the BTF and the SIU as related to cases against the major drug trafficking organizations are minimal. The inability of these units to fully employ the provisions of the Organized Crime Law to properly investigate these major organizations has been equally disappointing. Further complicating investigative efforts, the Mexico City-based SIU was compromised in February 1999 by a Mexican news exposé describing the operations of that unit, to include its location, activities and investigative targets. Because of this setback, the SIU has been largely shut down, and throughout 1999 to present, the GOM has failed to revive the unit and is still in the process of searching for a new site to relocate the SIU. In addition, throughout 1999 police personnel from the Mexico City SIU were separated into smaller groups and often deployed to various regions throughout Mexico in order to work other investigations, such as the search for Mexico fugitive and former Governor of the State of Quintana Roo Mario Villanueva-Madrid.

In addition, vetted unit personnel of the Organized Crime Unit (OCU), of which the SIU is a part, have been investigating a drug smuggling network of the Carrillo-Fuentes organization in Cancun, headed by Alcides Ramon-Magana. During the course of this investigation, DEA has shared three principal witnesses with the OCU who have provided information regarding this organization . The information gleaned from these witnesses has contributed to the seizure of real estate in Quintana Roo and the arrest of several defendants in this case, including mid-level drug trafficker and money-launderer Carlos Colin-Padilla. In addition, the GOM issued arrest warrants for a total of 44 individuals associated with Ramon-Magana including an arrest warrant issued on April 5, 1999, against former Governor Villanueva Madrid on 28 counts of drug related offenses.

The governments of Mexico and the United States will continue to conduct cooperative and bilateral investigations. Just this month, based upon information provided by the DEA to the GOM, two such operations were conducted, resulting in the seizure of a cocaine laboratory and a methamphetamine laboratory in Mexico. Ultimately, DEA believes that the vetting process is our best chance at ensuring integrity with our counterparts. As mentioned in previous testimony today with respect to the ongoing bilateral Vetted Units Program survey, DEA will remain actively engaged with our GOM counterparts relative to this process. DEA will also encourage the GOM to fully staff and support the BTF's and the SIU's with FEADS personnel that have already been vetted and to supply the resources that these operations require.

Corruption Issues:

Although the Mexican government is attempting to address the issue of corruption, it continues to be a serious problem in Mexican law enforcement institutions. The Federal Preventive Police (FPP) was created in early 1999 in response to the existing corruption in the police ranks, but recently reported that several FPP agents were under investigation for corrupt activities. In December 1999 the Government of Mexico/PGR

reported that between April 1997 through 1999 more than 1,400 of the 3,500 federal police officers had been fired for corruption and that 357 of the officers had been prosecuted. Additionally, the National Public Safety System established a national police registry to prevent corrupt police officials from being rehired by another law enforcement entity. However, the PGR has not fully implemented these programs to deal with corruption. For example, in 1999, the former Director of Investigations for the PGR's SIU and OCU, Cuauhtemoc Herrera Suastegui, was reassigned to a high-level position within the PGR despite failing a USG-administered polygraph examination in 1998. Additionally, there are indications that he provided assistance to the Carrillo-Fuentes drug trafficking organization. Although several FEADS vetted "floater" units have had several successes during 1999, the Vetted Unit Program failed to adhere to internal security principles involving the polygraph process, which may lead to potential compromises and corruption. The Mexican military also has experienced narco-related corruption within its ranks.

As of July 1999, an amendment to the Judicial Organic law mandated that PGR officers, prosecutors, police agents, experts, and pilots assigned to narcotics eradication duties are required to undergo an evaluation process, to include background checks and polygraphs.

Judicial efforts to stop corruption are underway. On January 11, 2000, a Mexican Federal judge issued an arrest warrant for the magistrate who wrongly freed Adan Amezcua-Contreras, a major methamphetamine trafficker. On February 3, 2000, the Mexican Federal Supreme Court ruled that the suspended Morelos Governor, Jorge Carrillo-Olea, could be brought to trial for protecting drug trafficking and kidnapping activities. Olea, a retired general and former Director of Mexico's civilian intelligence agency (CISN) and former anti-drug Commissioner for the Attorney General's Office (PGR), was ordered by the Federal Supreme Court to be placed under house arrest by the PGR. The PGR, however, has yet to take him into custody. This is the first time the Federal Supreme Court ruled to refer a Governor or Executive Branch official to trial.

Perhaps the most alarming incident involving Mexican officials occurred on November 9, 1999, when a DEA Special Agent, along with a FBI Special Agent debriefed a Confidential Source in Matamoros, Mexico. During the course of this debriefing the Special Agents and Confidential Source were surrounded and physically threatened by documented Mexican trafficker Osiel Cardenas-Guillen and approximately 15 associates. Each of these associates, one brandishing a gold-plated automatic assault weapon, were either municipal or state police officers. Furthermore, despite monitoring the entire incident over the DEA Special Agent's cellular telephone, whom had called to request assistance, the Tamaulipas State Judicial Police Commander took no action. Due only to their resourcefulness and ability to diffuse this potentially fatal encounter, were the agents and the confidential source able to survive unscathed. Among other issues, this incident highlights the vulnerability of DEA and FBI Special Agents working in Mexico.

Status of Extraditions:

The principal leaders of major drug trafficking organizations fear the threat of extradition to the United States more than any other law enforcement or judicial tool. Extradition of significant traffickers ensures that those responsible for the command and control of illicit activities, including drug smuggling and money laundering, will be held totally accountable for their actions and serve a prison sentence commensurate with their crimes.

No major drug traffickers were extradited to the United States in 1999. The Mexican Government did extradite 10 fugitives on narcotics related or money laundering offenses in 1999 -- eight U.S. citizens and two Mexican citizens. One Mexican citizen, a drug trafficker, was sought on drug charges after escaping from a U. S. prison while serving a sentence on drug related crimes. The other Mexican citizen, who killed a United States Border patrol agent, was sought on murder and marijuana smuggling charges.

In September 1998, the Government of Mexico arrested U.S. Citizen and DEA fugitive Randall Jeffrey Spradling in Guadalajara which, given Spradling's strong ties to both Mexican and Colombian drug traffickers, was an important event. He is fighting extradition to the United States.

In the past twelve months, some Mexican Courts have denied extradition of significant drug traffickers, such as Jaime Ladino-Avila, to the U.S. due to a variety of reasons, such as outstanding Supreme Court decisions holding life imprisonment unconstitutional in Mexico. At the end of 1999, there were 40 persons in Mexican custody and subject to extradition proceedings based on U.S. provisional arrest warrants and extradition requests. However, DEA has not observed any positive developments with respect to the extradition of significant drug traffickers in the last year.

Conclusion: The Road Ahead:

The United States' long experience with confronting and dismantling organized criminal activity has necessitated the development of an aggressive, cohesive and coordinated strategy to identify, target, arrest and incapacitate the leadership of these organizations . DEA's role in addressing the drug problem is to continue to attack the leadership of these international criminal organizations. With a strategy consisting of mounting attacks on the organizational command and control of major Mexican trafficking syndicates that operate along the U.S./Mexico border, the DEA is able to attack the ability of these organizations to conduct business and impede their efforts to import drugs into the U.S.

The effectiveness of national and bilateral efforts against drug organizations will depend largely on demonstrable progress in disrupting and dismantling these transnational narco-trafficking organizations. This includes apprehending, prosecuting

and convicting major drug traffickers, as well as exercising extradition laws against those defendants facing federal drug trafficking charges in the United States, and exposing and prosecuting individuals and businesses involved in providing critical support networks such as front companies, security , transportation and the like.

Therefore, it is imperative for law enforcement to continue to facilitate the flow of information and intelligence while identifying and removing impediments to cooperation. In this vein, it is vital for the DEA, along with other USG agencies, to continue to support the GOM in the field of counternarcotics operations. In turn, DEA encourages and expects the GOM to provide adequate investigative manpower, ongoing integrity testing, financial resources, equipment and reciprocal drug intelligence in support of bilateral drug law enforcement, which should significantly improve both governments' ability to counter and eliminate transnational drug trafficking organizations.

However, the true sign of success regarding anti-drug efforts in Mexico is best recognized with tangible results from concerted law enforcement efforts, i.e. the arrest and successful prosecution of significant leaders of these major drug cartels in Mexico and; where applicable, their extraditions to the United States to face federal drug trafficking charges. We are not yet there.

Mr. MICA. We will withhold questions until we have heard from all of our panelists.

The next witness is Mary Lee Warren, Deputy Assistant Attorney General with the Criminal Division of the Justice Department.

You are recognized, and welcome.

Ms. WARREN. Thank you, Mr. Chairman, ranking member and esteemed members of this subcommittee. I am pleased to return as a veteran before the subcommittee on these matters of great importance. Because the other agencies have been called to testify, I have tried to focus my remarks today on the United States-Mexican fugitive relationship, extradition and deportation; and I ask that my full written statement be received for the record.

Mr. MICA. Without objection, so ordered.

Ms. WARREN. I will do my best to respond to other inquiries on other topics that arise during the proceedings.

First, as to extradition, to put my testimony in context, prior to 1995, there had only been a handful of extraditions from Mexico under our 1978 extradition treaty. Since the beginning of the Zedillo administration and the 5-plus years after that, there have been enormous improvements in the bilateral treaty implementation between our two countries that resulted in the extradition from Mexico of 58 individuals, including, for the first time in history, seven Mexican nationals charged with or convicted of crimes in this country; and over the same period of time, the United States has extradited 85 fugitives, including 12 United States citizens, to Mexico.

The 1999 figures, as reviewed by Mr. Ledwith, 14 individuals from Mexico to the United States, including 2 Mexican nationals; from the United States to Mexico, 16 individuals including 1 United States citizen. A fact that has not gone unnoticed, Mexico has still not extradited a major drug trafficker of Mexican nationality. Accused methamphetamine kingpins Jesus and Luis Amezcua and Tijuana cartel lieutenant Arturo "Kitti" Paez Martinez remain in custody in Mexico as their extradition cases wind through the extradition process.

Others whose extraditions we sought and, unfortunately, the courts rejected either have been released, such as Jaime Ladino Avila, an Amezcua brother methamphetamine lieutenant, and Florentino Blanco Mesa, an Arellano Felix organization enforcer. Or others who are being prosecuted by the Mexican authorities domestically, such as Jaime Gonzalez Castro, a Sonoran trafficker who brought enormous quantities of drugs into Arizona; and Oscar Malherbe, who was arrested in 1998 and the court decided in 1998 he would not be extradited—he was No. 2 in the Gulf cartel—they are proceeding against him domestically.

We are not optimistic about the outcomes of those domestic prosecutions. Our evidence, such as court-authorized wiretaps and coconspirator testimony, are not given the same persuasive weight in the Mexican courts as they are here where that evidence was collected. The Mexican attorney general's office and their foreign ministry have taken a vigorous stance in the "Kitti" Paez Martinez case before the Mexican supreme court, asking their highest court to reject the intermediate court's flawed rationale seen in the Jaime Gonzalez Castro case and the Oscar Malherbe case that

Mexican nationals must be prosecuted domestically and not extradited.

We and the Mexican authorities remain hopeful that the Mexican supreme court will decide the "Kitti" Paez Martinez case in favor of extradition and resolve this issue once and for all. But for now, the extradition results in the Mexican courts are disappointing to the Justice Department, a sentiment that I know is shared by the Mexican authorities and by the members of this subcommittee.

In an attempt to clarify a lingering issue which has been raised before this subcommittee and by other Members of Congress, we have been asked on several occasions to give the total number of fugitives that are pending in each country's file cabinets. This number is somewhere in the several hundred range for each side. However, I suggest this is not a meaningful number. Both the United States and Mexico have backlogs of extradition requests that are so old that either our location information about the fugitive is no longer of use or, for others, the cases may no longer be prosecutable, either due to loss of witnesses or the like.

To address this problem, Mexico and the United States initiated a joint program to reconcile and prioritize our outstanding extradition requests and to exchange lists of our active and priority cases.

Those cases that still logically and realistically can and should be prosecuted by the other government and those that may be older, but are nonetheless of such significance to the requesting country to demand continuing attention and pursuit. For example, the fugitive sought for the murder of the DEA agent and a fugitive sought for the murder of a Phoenix police officer.

As a result of this cooperative undertaking, both Mexico and the United States can now accurately report to this subcommittee that we each have approximately 125 active and priority extradition cases pending before one another at any given time.

Let me raise with this subcommittee some recent court decisions in Mexico that cause us great concern. The first is Florentino Blanco Mesa, whose extradition we sought for the Southern District of California for his involvement with the Arrellano Felix organization. He was released in Mexico on the grounds that the SRE, their foreign ministry, had not fully explained its reasons for finding the case exceptional enough to warrant the extradition of a Mexican national, and had not sufficiently reviewed the extradition package to correct what we believe were hypertechnical flaws, such as the absence of the translation on the seal of the package—extraordinary things that have never been asked for before and are certainly not part of their extradition requests to us. It seemed to be an occasion of a court reaching to find a decision.

In another case, that of Jaime Ladino Avila, an Amezcua brother lieutenant whom we are seeking to face methamphetamine trafficking charges, extradition was denied because the court in his case found that the potential imposition of a life sentence in the United States would violate the Mexican constitution and Mexican extradition law, and that the SRE should have requested an assurance from us that no such sentence would be imposed.

The United States-Mexican extradition treaty allows the parties to request assurances against the imposition of the death penalty,

but contains no similar provision as to life imprisonment. If other courts in Mexico should find the Ladino court's reasoning persuasive, we will face enormous and perhaps insurmountable difficulties in securing the extradition from Mexico of the full range of serious criminals that we seek. Major traffickers are facing life imprisonment under our sentencing schedule here in the United States and the State crime violators, those who have committed murder, are certainly facing up to life in State prison.

Moreover, this ruling in the Ladino case is not limited to Mexican nationals and therefore could be applied to United States citizens or to third-country nationals, even though such individuals could not be prosecuted domestically under their article 4. Under that particular provision that allows them to prosecute Mexican nationals, it is that nationality that grants jurisdiction to the Mexican courts. There would be no jurisdiction for the U.S. citizens or third-country nationals.

These decisions are profoundly disturbing to us and our Mexican colleagues alike. They understand the vital significance of a vigorous and reciprocal extradition relationship in our efforts against drug trafficking and violence.

Once more, I can give this subcommittee assurances that these concerns have been and will continue to be raised at the highest levels of our government with our Mexican counterparts, for example, through upcoming consultations between Attorneys General Reno and Madrazo in the next few days and during the Binational Commission meetings involving several Cabinet officers from the two countries scheduled for mid-May.

Returning now to the deportation issue in May of last year, I was pleased to be able to report to this subcommittee that Mexico, working with the United States Marshals Service and the FBI, our Embassy in Mexico City, had significantly enhanced its program for deporting or expelling United States citizens who were in violation of Mexican immigration laws and who at the same time were sought as fugitives from United States justice. These enhanced efforts in 1998 led to the deportation of over 30 such individuals. I advised in my later testimony last year that we had seen a disturbing trend downward in those deportation numbers. This negative trend continued and the Marshals Service reported only nine successful cooperative deportations from Mexico in 1999, and so far, there have been no improvements in 2000.

The best we can discern as a reason for the decline in the deportations and expulsion is an apparent renewed preference for the use of the extradition treaty to affect the return of fugitives and the desire by certain officials within the PGR and the SRE to be the central points for all returns—and the deportations come through the immigration officials.

As with extradition, the Department of Justice and, in particular,

Attorneys General Reno and Madrazo are committed to doing everything possible to reinvigorate the commitment to use deportation whenever it is the most effective and expeditious legal mechanism for promoting the interests of justice.

As I noted, I wanted to focus on extradition and deportation in this oral testimony. I will try to respond to your questions.

Mr. MICA. Thank you.

[The prepared statement of Ms. Warren follows:]

TESTIMONY OF DEPUTY ASSISTANT ATTORNEY GENERAL MARY LEE WARREN
ON U.S./MEXICO COUNTER-NARCOTICS EFFORTS
Before the Criminal Justice, Drug Policy, and Human Resources
Subcommittee of the House Committee on Government Reform
February 29, 2000

I am pleased to return as a veteran before this subcommittee today on these matters of great importance.

Because ~~a number of~~ other agencies have also been called to testify, I will focus my remarks today on the US/Mexican fugitive relationship, i.e., extradition and deportation. I ask that my full written statement be received by the Subcommittee for the record. I will, of course, do my best to respond to any inquiries you may have on other topics that arise during this morning's proceedings.

- **EXTRADITION**

To put my testimony in context, prior to 1995, Mexico had extradited only a handful of fugitives to the United States under our 1978 extradition treaty. Since the beginning of the Zedillo Administration, however, and through its first five+ years, improvements in our bilateral treaty implementation have resulted in

- **the extradition of ~~[illegible]~~ 58 individuals from Mexico to the United States, including, for the first time in history, 7 Mexican nationals charged with or convicted of crimes in this country.**
- **Over the same period, the United States has extradited ~~[illegible]~~ 55 fugitives, including 12 U.S. citizens, to Mexico.**

In 1999, as noted in the chart attached to my written statement, Mexico essentially continued its record of the previous two years by formally surrendering 14 individuals to us in extradition.

- Two of those returned were Mexican nationals:
  - one sought to face prosecution for his involvement in the murder of a U.S. Border Patrol agent Kirpnick and for marijuana smuggling, and
  - the other to complete the remainder of his U.S. drug trafficking sentence (after his escape from Terminal Island).
- Seven of the other surrendered fugitives (all U.S. citizens) were requested by the United States to face drug-related charges.

- The United States extradited 16 individuals to Mexico in 1999, including one U.S. citizen.

~~[Regrettably, I must report once more to this Subcommittee that~~] A fact that has not gone un-noticed: Mexico has still not extradited a major drug trafficker of Mexican nationality.

- Accused methamphetamine kingpins Jesus and Luis Amezcua and Tijuana cartel lieutenant Arturo "Kitti" Paez Martinez remain in custody in Mexico as their extraditions cases wend through the extradition process.

- Others whose extraditions we sought and the courts rejected either
  - have been released, such as Jaime Ladino (an Amezcua brothers methamphetamine lieutenant) and Blanca Mesa (an Arrellano organization enforcer), or
  - are being prosecuted by the Mexican authorities domestically, such as, Jaime Gonzalez Castro (a Sonora trafficker importing drugs into Arizona), and Oscar Malherbe (end of 1998, the #2 in the Gulf Cartel).

    We are not optimistic about this latter category of prosecutions as our evidence, - - such as, court-authorized wiretaps or co-conspirator testimony, - - is often not given the same persuasive weight in the Mexican courts as in this country where it was collected.

The Mexican Attorney General's Office and their Foreign Ministry have taken a vigorous stance in the Arturo "Kitti" Paez Martinez case in the Mexican Supreme Court, asking their highest court to reject the intermediate courts' flawed rationale seen in the (Jaime Gonzalez Castro and Oscar Malherbe cases) that Mexican nationals must be prosecuted domestically and not extradited. We and the Mexican authorities remain hopeful that the Mexican Supreme Court will decide the "Kitti" Paez case in favor of extradition and resolve this issue once and for all.

But for now, the extradition results in the Mexican courts are disappointing ~~and discouraging~~ to the Department of Justice, - a sentiment I know that is shared by the Mexican authorities and by the members of this Subcommittee.

In an attempt to clarify a lingering issue, both this Subcommittee and other Members of Congress have expressed an interest in being informed not only of the number of fugitives extradited each year between Mexico and the United States, but also of the number of provisional arrest and extradition requests that are pending in each country. This number (somewhere ~~is~~ in the several hundred range for each side), however, is not very meaningful.

Both the U.S. and Mexico have backlogs of extradition requests that are now so old that

- for some, the earlier location information is useless, and
- for others, the cases may no longer be prosecutable (for loss of witnesses and the like).

To address this problem, Mexico and the U.S. initiated a joint program to reconcile and prioritize our outstanding extradition requests and to exchange lists of our "active" and "priority" cases —

- those cases that still logically and realistically can and should be prosecuted by the other government and,
- those that may be older, but are nonetheless of such

significance to the requesting country to demand continuing attention and pursuit (e.g., for the United States: Augustin Vazquez Mendoza, and Rudolfo Romero — charged with the murder of a DEA Agent and a Phoenix Police Officer, respectively).

As a result of this cooperative undertaking, both Mexico and the United States can now accurately report to you that we each have *approximately 125 active and priority extradition cases pending* before one another at any given time.

Let me underscore for the Subcommittee some recent court decisions that cause us great concern:

- Florentino Blanco Mesa, whose extradition we sought (for SDCal) for his involvement with the Arrellano Felix organization, was released in Mexico on the grounds that the SRE had not explained its reasons for finding the case "exceptional" enough to warrant the extradition of a Mexican national and had not sufficiently reviewed the U.S. extradition package to correct such perceived hyper-technical flaws as the absence of a translation of the State [or Justice] Department's authentication and the inclusion of the U.S. statute of limitations in our prosecutor's affidavit rather than as a separate certified document.

- In another case, that of Jaime Ladino Avila, an Amezcua brother lieutenant whom we were seeking to face methamphetamine trafficking charges, extradition was

denied because the court in his case found that the potential imposition of a life sentence in the United States would violate the Mexican Constitution and Mexican extradition law and that the SRE should have requested an assurance from us that no such sentence would be imposed.

- Note: The U.S./Mexico treaty allows the parties to request assurances against imposition of the death penalty, but contains no similar provision as to life imprisonment.

If other courts in Mexico should find the Ladino court's reasoning persuasive, we will face enormous, and perhaps insurmountable difficulties in securing the extradition from Mexico of the full range of serious criminals, whether they be major traffickers or murderers.

Moreover, the ruling in Ladino is not limited to Mexican nationals and therefore could be applied as well to U.S. citizens and third country nationals even though such individuals would not be subject to prosecution in Mexico under Article 4 - the Mexican domestic prosecution authorization that is founded on Mexican nationality for obtaining jurisdiction.

These decisions are profoundly disturbing to us and our Mexican colleagues in the PGR and the SRE, who understand the vital significance of a vigorous and *reciprocal*

extradition relationship to our efforts against drug trafficking and violence.

Once more, I can give this Subcommittee assurances that these concerns have been and will be raised at the highest levels with our Mexican counterparts. For example,

- through upcoming consultations between Attorneys General Reno and Madrazo in the next few days, and
- during the Binational Commission meetings (again involving cabinet officers from the two countries) scheduled for mid-May.

- DEPORTATIONS

In May of last year, I was pleased to be able to report to this Subcommittee that Mexico, working with the U.S. Marshals Service and the FBI at our Embassy in Mexico City, had significantly enhanced its program for deporting or expelling U.S. citizens who were in Mexico in violation of Mexican immigration laws and who were, at the same time, fugitives from U.S. justice. These enhanced efforts led to the deportation of over 30 such individuals in 1998.

I advised in my later testimony last year that deportations of U.S. citizen fugitives from Mexico had slowed noticeably.

That negative trend continued and the Marshals Service

reported only nine successful cooperative deportations from Mexico in 1999; and there have been no improvements so far in 2000.

The best we can discern as a reason for the decline in deportations/expulsions is an apparent renewed preference for the use of the extradition treaty to effect the return of fugitives and the desire by certain officials within the PGR and the SRE to be the central points for these returns - and immigration officials rather than PGR or SRE officials handle the deportations.

As with extradition, the Department of Justice, and in particular Attorney Generals Reno and Madrazo are committed to doing everything possible to reinvigorate the commitment to use deportation whenever it is the most effective and expeditious legal mechanism for promoting the interests of justice.

As I noted, I wanted to focus on the extradition and deportation relationship in this oral testimony. I will try to respond to questions regarding this relationship, as well as in other areas of the law enforcement relationship that you might have.

Mr. MICA. We will now hear from Mr. John Montoya. He is with the U.S. Border Patrol. He is a Sector Chief for Laredo.

Welcome, and you are recognized, sir.

Mr. MONTOYA. Good morning, Mr. Chairman, Congresswoman Mink, Congressman Hutchinson and other distinguished members of the subcommittee.

I am John Montoya, Chief Patrol Agent of the Laredo Sector of the U.S. Border Patrol. I appreciate the opportunity to give you an overview of the Laredo Sector and also to thank you for your concern and support over the years. I want to present to you the areas where I believe we have been successful and also give you some insight where I feel there is still a threat to our operations.

Our agents are diligently performing their duties every day in an environment that is becoming more dangerous and threatening because of alien and narcotics smugglers. In addition, the agents protect our national security by the arrest of individuals who enter this country illegally and who may pose a terrorist threat to our communities.

The Laredo Sector covers 171 miles of river border and is comprised of eight stations. The Laredo Sector has 690 Border Patrol agents, 12 antismuggling agents, 13 detention enforcement officers and 131 support positions on duty. Currently 555 of these agents are assigned in the three stations immediately and directly adjacent to the river. All agents receive 20 weeks of intensive training at the Federal law enforcement training center in Glynco, GA, and at the Border Patrol Academy in Charleston, SC. The training includes law, Spanish, physical training and firearms training. They are equipped with semiautomatic handguns, automatic long guns, body armor, portable and mounted night vision equipment.

Based on effective operations to control the border in El Paso and San Diego, the Border Patrol and INS initiated Operation Rio Grande in South Texas in August 1997. Our strategy in the Laredo Sector targeted a 4-mile area where approximately 70 percent of all illegal entries were occurring within the sector. Within this 4-mile stretch of river, agents were placed in a high-visibility posture at 16 intensely trafficked crossing points.

As Operation Rio Grande has continued and additional resources have been received, the deployment area has been extended to 14½ miles. Since the onset of Operation Rio Grande, apprehensions of illegal aliens have diminished by 66 percent within the deployment area. In addition, narcotics apprehensions have become almost nonexistent and crime rates have also been reduced within this area.

Aliens that are turned over to the Border Patrol by other agencies have also decreased by 33 percent. However, there has been a definite shift of illegal traffic from the deployment area to the flanks in both aliens and narcotics. This has been increasing as the operation continues. Our Laredo North Station continues to apprehend large groups of 25 and more as smuggling operations are forced away from the deployment areas.

The Laredo Sector is greatly affected by all criminal activity in the area, but more so by smuggling activity. This sector has identified 27 alien smuggling organizations and 25 narcotics smuggling organizations that operate within the confines of the Laredo Sector.

These organizations have the capability to smuggle in excess of 6,000 aliens and multi-tons of narcotics per month.

Coordination with Mexican law enforcement agencies is complicated by both the number of Mexican law enforcement agencies and frequent turnover within these agencies. To overcome this, we recently formalized an arrangement whereby the Laredo Border Patrol has a single point of contact with Mexican law enforcement agencies through the Mexican Immigration Service.

Furthermore, of major concern are recent incidents involving Mexican authorities. In one incident, for example, a Mexican municipal police officer fired shots toward the United States side following pursuit of an individual. This incident has been addressed with the Mexican Consul and American Consul and the relevant Mexican police authorities. However, it underscores the tensions and the dangers that our agents face on a daily basis.

Laredo Sector has employed a twofold approach to its operations to include narcotics interdiction and education in order to battle the influence of drugs in the sector area. Interdiction efforts take place along the river with special response teams, normally outside the deployment area and on highway checkpoints. The sector has a Drug Demand Reduction Education Program comprised of agents who visit schools and organizations that are connected with children. The agents make presentations on the dangers of drugs and drug use. Agents assigned to the program made presentations to over 820 children and 180 adults just in the month of January 2000.

The education of our children against the use of illegal drugs is important to the entire United States. If we, as a country, can eliminate the supply and demand of this evil, we would be able to prevent the decay or death of our youth.

The Laredo Sector has a history of aggressively pursuing and supporting technology that will help accomplish the mission in a safer, more efficient manner. The sector has had great success with night vision technology through scope trucks, individual agent night vision goggles, and fixed camera sites which afford agents the advantage of knowing who and how many individuals they are encountering and if they are armed.

We must never lose sight of the fact that the ultimate resource in achieving success is the men and women who are on the line. The ability to continue to phase in an Operation Rio Grande is paramount to achieving the success that this sector and service set out to accomplish since the inception of the strategy.

On behalf of all the men and women of the U.S. Border Patrol, I thank you for this opportunity to testify before you today. I would be pleased to answer any questions you may have at this time. Thank you.

[The prepared statement of Mr. Montoya follows:]

Testimony of

John W. Montoya,
Chief Patrol Agent
U.S. Border Patrol, Laredo Sector
Immigration and Naturalization Service

Before the

House Government Reform Committee
Subcommittee on Criminal Justice, Drug Policy
and Human Resources

Regarding
U.S. and Mexican Counternarcotics efforts

Rayburn House Office Building, Room 2154
February 29, 2000

Good morning Mr. Chairman, Congresswoman Mink and distinguished members of the subcommittee. I am John Montoya, Chief Patrol Agent of the Laredo Sector of the U.S. Border Patrol. I appreciate the opportunity to give you an overview of the Laredo Sector. I want to present to you the areas where I believe we have been successful and also to give you some insight where I feel there is still a threat to our operations. Our Agents are diligently performing their duties every day in an environment that is becoming more dangerous and threatening because of alien and narcotic smugglers. In addition, the Agents protect our national security by arresting individuals who enter this country illegally and who may pose a terrorist threat to our communities.

The Laredo Sector covers 171 miles of river border and is comprised of eight stations - Laredo North, Laredo South, Hebbronville, Freer, Cotulla, San Antonio, Dallas and Zapata. The Sector encompasses 116 counties and covers 101,439 square miles of Southwest and Northeast Texas. The Laredo Sector has on duty 690 Border Patrol Agents, 12 Anti-smuggling Agents, 13 Immigration Detention Enforcement Officers and 131 support positions. Currently 555 Agents are assigned in the three stations directly adjacent to the river.

All Border Patrol Agents receive 20 weeks of intensive training at the Federal Law Enforcement Training Centers in Glynco, Ga., and Charleston, S.C. The training includes law, Spanish, physical training, and firearms training. Agents are equipped with semi-automatic handguns, automatic long guns, body armor and portable and mounted night vision equipment.

Laredo is the one of the busiest land Ports of Entry in the United States with an average of 1.4 million tractor trailers entering from Mexico each year. The North American Free Trade Agreement (NAFTA) has increased the amount of rail and tractor-trailer traffic originating in Mexico and traversing the Laredo area enroute to the interior of the United States. Approximately six years ago, two freight trains departed the Laredo area each day. Currently, 12 freight trains depart from Laredo

daily and with the merger of the Union Pacific and Southern Pacific Railroad Companies, the rail traffic is projected to increase about 25 percent.

Based on effective operations to control the border in El Paso and San Diego, the Border Patrol/INS initiated Operation Rio Grande (ORG) in South Texas in August 1997. Our strategy targeted a 4-mile area where approximately 70% of all illegal entries were occurring within the Sector. Within this 4-mile stretch of river, Agents were placed in a high visibility posture at 16 intensely trafficked crossing areas. Six portable lighting systems were deployed in critical locations and lights were installed in 29 permanent sites. Thirty Agents were forward deployed into this 4-mile area on a 24-hour basis. The bicycle patrol was deployed in a back up role. As Operation Rio Grande has continued, and additional resources have been received, the deployment area has been expanded to 14-1/2 miles and an additional 19 portable lighting units have been added.

Since the onset of ORG apprehensions have diminished significantly within the deployment area. Apprehensions of illegal aliens have decreased by 66 percent, narcotic apprehensions have become almost non-existent and crime rates have also been reduced. The number of aliens apprehended by other agencies and turned over to the Border Patrol has decreased by 33% to date as compared to the same time frame last year.

A definite shift of illegal traffic of aliens and narcotics from the deployment area out to the flanks has been increasing as the operation continues. Aliens are attempting to enter the U.S. upriver from the deployment area by boarding freight trains. A significant number walk to railroad sidings as far as 25 miles away from the deployment area. The Laredo North Station continues to apprehend large groups of illegal entrants as smuggling operations are forced away from the deployment areas. Additionally, illegal alien and narcotic traffic has shifted down river from the deployment area into the Laredo South Station's area of responsibility.

Within existing resources, the Sector has made a commitment to keep its 4 checkpoints operating 24 hours a day. Although checkpoints are manpower intensive, their continued operation is critical to the border control strategy of this Sector because of their deterrence value. By controlling access to the major arterial highways leading from the border area with Border Patrol checkpoints in strategic locations, alien and narcotic smugglers are denied access to inland locations via the highways. This tactic pushes smugglers into outlying areas and makes them and their illicit cargo more vulnerable to apprehension. The increase in alien and narcotic traffic continues to place additional pressures on the Sector's other activities such as prosecution, detention and deportation.

In addition to the pressures currently being exerted upon the Laredo Sector, there are projects in and around the city of Laredo that will affect our operations in the near future. The construction of the Camino Colombia, a privately-owned toll road that will connect the Colombia Solidarity Bridge to Interstate 35, will necessitate the establishment of another checkpoint for the Laredo North Station. The Union Pacific Railroad Bridge, also to be built in the Laredo North Station's area of operation, will see the creation of another freight yard which will act as a magnet for illegal alien traffic entering the United States. The establishment of the outer loop will create a major road just above our current IH-35 checkpoint. This will necessitate the relocation of Laredo North's IH-35 checkpoint as well as the creation of a new checkpoint on State Highway 83. The proposed construction of Interstate 69 linking Mexico and Canada through Laredo via Houston will require an expanded checkpoint operation in the Freer Station's area of responsibility due to the increased traffic. Tex-Mex trains entering in the Laredo South's area of responsibility and passing through the Hebbronville Station's area will increase from two to five trains which will further tax those two stations' resources. These trains usually consist of more than 100 cars and require at least ten Agents to properly check them.

The Laredo Sector is greatly affected by all criminal activity in the area but more so by smuggling activity. The Sector has identified 27 alien smuggling organizations, and 25 narcotic smuggling organizations that operate within the confines of the Laredo Sector. These organizations have the capability to smuggle in excess of 6,000 aliens and multi-tons of narcotics per month. In FY 1999 Laredo Sector had 1,202 narcotics seizures, a 17% increase over FY 1998. Marijuana seizures during FY 1999 totaled 153,783 pounds, an increase of 37% over the prior year. Cocaine seizures during FY 1999 were 7,083 pounds, an increase of 48% and heroin seizures were 94 ounces and increase of 462%. During the first four months of FY 2000 the amount of marijuana seized has increased by 90%.

Coordination with Mexican law enforcement agencies is complicated by both the number of Mexican law enforcement agencies and frequent turnover. Recently we formalized a arrangement where Laredo Border Patrol would have a single point of contact with Mexican law enforcement through the Mexican Immigration Service. During the early months of Operation Rio Grande, Mexican Immigration complemented our areas of intensified enforcement focus by deploying their forces on the areas where we had fewer resources deployed. Daily contact and the sharing of intelligence allowed the Mexican Immigration's Special Operations Team to address those areas where alien smugglers, border bandits and junkies preyed on persons attempting to enter the U.S. illegally. During those early months they took control of the area and arrested numerous aliens smugglers, narcotic smugglers, and border bandits. In recent months, however, the Mexican authorities have scaled back their operations due to lack of funding and resources.

Of major concern are recent incidents involving Mexican authorities. In one incident, for example, a Mexican Municipal Police Officer fired shots toward the United States while in pursuit of an individual. This incident has been addressed with the Mexican Consul and the relevant Mexican police authorities. It underscores the tensions and dangers that our Agents face on a daily basis.

Year to date statistics indicate a 50% increase in the number of criminal aliens who have been apprehended by sector personnel over the same time frame last year. This increase is very significant since it is inconsistent with our apprehension patterns that reflect a year-to-date increase of 12% in total apprehensions. The very nature of our job exposes our Agents to unexpected violence from varied criminal elements.

Just last week, Agents from our Laredo South Station spotted a vehicle parked by the side of the road in an area notorious for both alien and drug smuggling. When the occupant in the vehicle saw the approaching officers, he sped off. The driver of the vehicle made a U-turn, fired at the Agents, made another U-turn and continued heading South towards Zapata, Texas. The ensuing pursuit involved officers from the Webb and Zapata County Sheriffs' Offices and Border Patrol Agents from the Zapata Station. After a brief exchange of gunfire with the Sheriff's Deputies, the assailant died from an apparent self-inflicted gunshot.

Laredo Sector has employed a two-fold approach to include narcotics interdictions and education in order to battle the influence of drugs in the Sector area. Interdiction efforts take place along the river with the special response teams, normally outside the deployment area and at highway checkpoints. The Laredo Sector and the Drug Enforcement Administration are initiating a narcotics task force that will respond exclusively to Border Patrol narcotics interdictions along the river and at the IH-35 checkpoint. The Sector has a Drug Demand Reduction Education Program comprised of Agents who visit schools and organizations connected with children and make presentations on the dangers of drugs and drug use. Agents assigned to the program made presentations to 820 children and 180 adults just in the month of January 2000. The education of our children against the use of illegal drugs is important to the entire United States. If we as a country can eliminate the supply and demand of this evil we would be able to prevent the decay or death of our youth.

The effects of Operation Rio Grande in the Laredo Sector are very much in line with the desired outcomes. As mentioned earlier, a clear shift in crossing activity from the deployment zones into remote areas is occurring. In order to maintain the deployment posture while effectively addressing the predicted shift, additional personnel will be required. As technology improves and proliferates, current options available to illegal entrants dwindle. Therefore, other means of evading detection and arrest will likely emerge. In response, Agent numbers will have to increase to safely overcome countermeasures that could go from simple ingenuity to violence.

The Laredo Sector has a history of aggressively pursuing and supporting technology that will help accomplish the mission in a safer, more efficient manner. The Sector has had great success with night vision technology (through scope trucks, individual Agent night vision goggles and fixed camera sights) which afford Agents the advantage of knowing who and how many individuals they are encountering and if they are armed.

However, we have never lost sight of the fact that the ultimate resource in achieving success is the men and women who are on the line. The ability to continue to phase-in Operation Rio Grande is paramount to achieving the success that this Sector and Service set out to accomplish since the inception of this strategy.

On behalf of all the men and women of the U.S. Border Patrol, I thank you for this opportunity to testify before you today. I would be pleased to answer any questions you may have at this time.

Good morning Mr. Chairman, Congresswoman Mink and distinguished members of the subcommittee. I am John Montoya, Chief Patrol Agent of the Laredo Sector of the U.S. Border Patrol. I appreciate the opportunity to give you an overview of the Laredo Sector. I want to present to you the areas where I believe we have been successful and also to give you some insight where I feel there is still a threat to our operations. Our Agents are diligently performing their duties every day in an environment that is becoming more dangerous and threatening because of alien and narcotic smugglers. In addition, the Agents protect our national security by the arrest of individuals who enter this country illegally and who may pose a terrorist threat to our communities.

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On behalf of all the men and women of the U.S. Border Patrol, I thank you for this opportunity to testify before you today. I would be pleased to answer any questions you may have at this time.

Mr. MICA. Thank you, Mr. Montoya. I will ask the first question.

We have this headline—I think you are familiar with it; it says Drug Traffickers Set Bounty on Agents, offering $200,000. I guess they were after Border Patrol folks.

What is your response to that particular threat?

Mr. MONTOYA. Well, we became apprised of the threat, or the information and the intelligence on threat. We immediately placed our officers, our agents, on alert. We made contact with all the law enforcement community, not only in the Laredo Sector, but also with the Mexican authorities.

This was done and accomplished through our liaison officers and also through our informants.

We take all threats seriously, whether they are directed at the Border Patrol or any other law enforcement agency.

Mr. MICA. Doesn't this represent a more brazen threat by drug traffickers to our agents?

Mr. MONTOYA. Again, it is very serious. Our agents are confronted with many types of threatening situations on a daily basis, and when they hear information or are provided intelligence that there is someone out there specifically targeting them or another law enforcement officer, we do respond; we do take the necessary safety precautions to protect our agents.

Mr. MICA. It doesn't appear that it is routine operating procedure for them to almost go public with a bounty on our Border Patrol agents. Is this a new tactic?

Mr. MONTOYA. During my 24 years, Mr. Chairman, with the Border Patrol there have been numerous threats made against law enforcement agents on the U.S. side; obviously all along the border, the most infamous obviously being DEA agent Enrique Camarena. During that time period, we were on a high state of alert.

Mr. MICA. What about with this threat? Is this something to take seriously or just a media account?

Mr. MONTOYA. No, sir. Again, we take all the threats and we try to validate the information through the use of informants, through our contacts, throughout all agencies both on the United States side and the Mexican side.

Mr. MICA. Is this a valid threat?

Mr. MONTOYA. Sir?

Mr. MICA. You said you try to validate. Is this a valid threat to our agents?

Mr. MONTOYA. Yes, sir.

Mr. MICA. It is. OK.

Do we have any recourse? If somebody harms, kills or maims one of our agents, do we have a reward system for information leading to them? What is the reciprocity that we have under law?

Mr. MONTOYA. As far as the—excuse me, Mr. Chairman. Go ahead.

Mr. MICA. I said, are you aware of that?

Mr. MONTOYA. Yes, sir. As to the incident itself, we do have the ability to pay reward money for information leading to the disclosure or the arrest, et cetera, of any individual.

Mr. MICA. What range? Is that sufficient and is it set by law or is it a discretionary amount that you can determine?

Mr. MONTOYA. Within my authority, I can only approve up to $5,000. From there, it has to go up the chain of command.

Mr. MICA. How about DEA, Mr. Ledwith? If somebody comes after a DEA agent, is there an adequate reward system in place?

Mr. LEDWITH. Yes, sir. There is literally nothing we would not do to recover that person who threatened or harmed a DEA agent. And yes, sir, there is an ability within the Department of Justice.

Mr. MICA. What are your limits? Mr. Montoya said $5,000 and then he needed approval of that, which doesn't appear like much of a reward.

Mr. LEDWITH. I am quite convinced, sir, that if there were an attack upon a Federal U.S. law enforcement official, we would be able to get a very significant amount of money offered as a reward. My limits, I can go to the Department of Justice, I would think in terms of $500,000 or $1 million would not be too low.

Mr. MICA. Shouldn't that be extended to our border agents who are under threat?

Mr. LEDWITH. Well, sir, I can't comment directly, but I would imagine by the time a threat or that kind of situation arrived in Washington, significant resources would be made available.

Mr. MICA. Do you know if the Department of Justice has a policy on this? I just want to see if we have in place a mechanism to reciprocate. Because for me, this is unprecedented to have our agents publicly threatened in this fashion and a bounty put on their heads.

Ms. WARREN. I don't know the procedure specifically for the Border Patrol, but I know with the other agencies there is an application procedure up through the Attorney General for amounts of $1 million.

Mr. MICA. But we need to make certain that we have adequate policy and law in place to make certain that our agents are—I don't know if we can protect them, but if they are going to threaten them in this fashion and in some way they are put in harm's way, we need to be able to retaliate.

Mr. Ledwith, you described an incident and one that concerns me about I believe it was one of our agents, surrounded by drug traffickers.

Mr. LEDWITH. Yes, sir, I did. It was a DEA special agent and an FBI special agent assigned to our offices in Mexico, sir, in November 1999, in Matamoros.

Mr. MICA. This also appears to be a little bit more brazen. They were very fortunate in that they were not harmed. Do you see a pattern of more threatening situations to our agents in that area?

Mr. LEDWITH. Our men and women that serve overseas, sir, sadly I am here to tell you that we have a constant situation with threats against our men and women overseas, as do many others.

Mr. MICA. I am interested today in the situation in Mexico.

Mr. LEDWITH. I would say, sir, yes, that it appears to be more brazen.

Mr. MICA. The murder of the police chief seems to be one of the most emboldened acts I have witnessed. Am I correct in that they also murdered a previous police chief in that area?

Mr. LEDWITH. Yes, sir, you are correct.

Mr. MICA. What about cooperation? Was your agency involved or the FBI in the recovery of the remains from the operation inside the Mexican border? Your agents were involved?

Mr. LEDWITH. No, sir. That was principally an FBI operation. We provided some support to them.

Mr. MICA. Are you aware of any pressure to close that operation down from the Mexicans?

Mr. LEDWITH. No, sir, I am not personally aware of any.

Mr. MICA. Are you aware of that operation, Ms. Warren?

Ms. WARREN. Somewhat, yes.

Mr. MICA. How would you describe the cooperation of the Mexican officials in that?

Ms. WARREN. The cooperation through Attorney General Madrazo and the PGR was excellent from the very beginning. The Mexican media made it very difficult for Attorney General Madrazo, but he stated publicly that this cooperation would continue. It was such an important effort; and it did continue.

Mr. MICA. Was there any pressure to close that down?

Ms. WARREN. I know of the storm in the Mexican press that was raised against Attorney General Madrazo, but he withstood that storm.

Mr. MICA. Mr. Ledwith, did you have a specific recommendation on certification or decertification of Mexico to any of your superiors?

Mr. LEDWITH. Sir, the method by which we make a report is to the Department of Justice. We do not make recommendations. We give a recital, if you will, of the results obtained that year and the cooperation that we enjoyed.

Mr. MICA. Did you review that report as it was presented to the Department of Justice?

Mr. LEDWITH. I reviewed the report before it left DEA, sir, en route to the Department of Justice.

Mr. MICA. If I had a copy of that report, would it indicate that Mexico is fully cooperating?

Mr. LEDWITH. It would indicate, sir, that Mexico is cooperating, but that there are substantial problems.

Mr. MICA. Would you like to comment on what the problem areas are?

Mr. LEDWITH. Well, sir, there would be several areas: the extradition of people that we have asked to have extradited; the fact that there has not been a major trafficker arrested, prosecuted, imprisoned in Mexico in some years; the fact that the polygraph program with the vetted units was shut down in August of last year due to difficulties with the procedure; and the fact that we have had—since 1996, we have not been able to utilize the so-called "commuter agents" to go into Mexico from the border areas and conduct cooperative and bilateral, multilateral investigations.

Mr. MICA. What about the progress in allowing our agents to arm themselves?

Mr. LEDWITH. There has not been any progress in that area that I am aware of, sir.

Mr. MICA. You probably wouldn't get into the maritime agreement area, would you?

Are you aware of the maritime agreement? I understand an agreement was signed with basically no terms. Are you familiar with that, Ms. Warren?

Ms. WARREN. Not familiar enough to answer your questions on that. I know we have had some good maritime cooperative success in this last year and that the Coast Guard has worked vigorously to try and develop parallel operational procedures so that they can work together and hand off these cases as best as possible; but as to the terms of the agreement, I am not familiar.

Mr. MICA. Mr. Montoya, dealing with Mexican officials in your border work, would you describe their actions as fully cooperating with you in the antinarcotics effort?

Mr. MONTOYA. It has been demonstrated in the short time that I have been in Laredo, the last 6 months, we have an outstanding relationship with the head of the Mexican Immigration Service, who has jurisdiction for crimes committed along the immediate border. They act as our go-between with the other agencies.

We have, as I mentioned in my oral testimony, some incidents which caused us major concern. With the assistance of Mr. Gabriel Cortez, who is the director of Mexican immigration in Nuevo Laredo and the Mexican consul, we were able to go to the table with these agencies and discuss our concerns in a mutual arrangement to prevent future incidents.

Mr. MICA. You have only been there 6 months?

Mr. MONTOYA. Yes, sir.

Mr. MICA. Is the situation over the border getting better or worse as far as trafficking and violence, in your observation?

Mr. MONTOYA. I can speak to our narcotic seizures within the Laredo Sector. The volume of marijuana in the Laredo Sector has increased almost 100 percent in just the 4 months of this fiscal year.

Mr. MICA. Your observation of the situation relating to trafficking and violence, so the volume has had a 100 percent increase in a short period of time. What about violence?

Mr. MONTOYA. We have not had any, at least directed at our agents, et cetera. However, on the Mexican side there have been at least two incidents within the last month that caused us this concern.

Mr. MICA. One final question, Mr. Ledwith. There is a cap put on DEA agents in Mexico, which I guess is not public information. Do you think the agency would support a resolution by Congress or request by Congress to have that cap lifted?

Mr. LEDWITH. Yes, sir. There is a cap on the amount of agents we are allowed to have in Mexico.

Mr. MICA. Given the statement of our United States Ambassador and appointing a very qualified man, whom we all know, who basically said the headquarters of world narcotics trafficking is Mexico; and they imposed a cap a number of years ago—I am not sure when that was, but at least since I have been on this subcommittee—is it time to lift that cap?

Mr. LEDWITH. Yes, sir, I would say that it would be.

Mr. MICA. Thank you.

Mrs. Mink.

Mrs. MINK. Thank you very much.

Mr. Ledwith, we have a burden to try to look at both sides of this equation, the things that have gone well and are effective, and weigh it against those things where there have been major failures; the same thing that a jury would have to do in finding a preponderance of the evidence, we have to make that same examination.

In reading some of the materials that have been forwarded to us, which undoubtedly will be covered by the administration in explaining whatever decision they arrive at, my question goes to what if the Congress insists upon decertification, or what if the administration recommends decertification, what impact would that have on the ability of your agency to continue the work that it is now doing in Mexico?

Mr. LEDWITH. That's an exceptionally interesting question, ma'am. It might be presumptuous of me to answer it. On the one hand, I would hope that this would be a message to the Government of Mexico to redouble their efforts in many areas. I would also be concerned that it might adversely impact on DEA's ability to work within that country due to the reaction of the Mexican Government.

Mrs. MINK. Is there any intelligence within your agency, that is examining this issue, and was it included in your agency's analysis of this problem when it forwarded its comments to the administration for decisionmaking?

Mr. LEDWITH. I do not believe in the comments that we forward to the Department of Justice on the certification issue, that that particular issue was addressed. It certainly is the subject of some debate within DEA.

Mrs. MINK. So the issue is one that has not been weighed in in terms of impact? We have to take into consideration that it could go either way? It could assist us in insisting upon greater cooperation and greater enforcement efforts, or it could go the other way; there is no real way that we can determine that in advance?

Mr. LEDWITH. I would not be able to advise you as to what the ultimate reaction of the Mexican Government would be, no, ma'am.

Mrs. MINK. The next question then is, in one of your criticisms of the Mexican Government's failures is that they have not apprehended, arrested, tried or convicted any major drug trafficker within their country. Is that a true statement, what you responded to the chairman's inquiry?

Mr. LEDWITH. Yes, sir, with the possible exception of the Amezcua brothers who have been awaiting extradition to the United States, the Mexican Government has not captured, tried——

Mrs. MINK. They have extradited certain individuals to the United States or allowed their extradition, but they have not, on their own, tried a major drug trafficker; is that your answer to the question?

Mr. LEDWITH. Yes, ma'am. The Mexican nationals who were extradited to the United States would not be classified as major drug traffickers. Saying that, the Mexican Government has not arrested—certainly not tried or convicted—any major drug traffickers in any way.

Mrs. MINK. How would you explain that and how does that add to this quantum of mystery of what would happen if we decertified

them? If they are not, even under the optimum circumstances now of being a major trade partner and having the protection of NAFTA and all of these other benefits of a renewed interest of collaboration, how do you explain their failure to understand the urgency of this issue? And if we did decertify, isn't it fair to assume that the failure would be even greater and that this situation would be even more exacerbated?

Mr. LEDWITH. Yes, ma'am, I suppose that it might well be. It would be difficult to arrest less than none.

Mrs. MINK. I get your point.

Now, on the other hand, there is this demonstrated activity with regard to the eradication of marijuana plants and all of those efforts with respect to cultivation and activities in that area, and the report goes on to say that these activities have greatly enhanced over the past 12 months. Is that your observation as well?

Mr. LEDWITH. I would say that the eradication efforts are promising, yes, ma'am.

Mrs. MINK. As against what occurred in 1998, there has been vast improvement over the past 12 months?

Mr. LEDWITH. There appears to be an improvement in eradication efforts, yes, ma'am.

Mrs. MINK. So it would be fair to say that this is Mexico's answer to our concerns about drug trafficking, that they are taking stepped-up measures to eradicate the cultivation, production and distribution systems of the drugs within their own country, but that that is about it?

Mr. LEDWITH. Yes, ma'am, that certainly would be an effective response to the problem of Mexican marijuana and Mexican heroin. It in no way impacts on the flow of Colombian cocaine through Mexico.

Mrs. MINK. Now, that's another issue. I don't think it is fair to weigh in on Mexico what we have as a separate problem with Colombia, that we are now trying to deal with separately, as a separate issue.

While that is true, it travels through Mexico, I think we have to look at their own individual situation in making an assessment whether to go forward with decertification or not.

This is an extremely complex issue.

Now, how many DEA and FBI agents are there in Mexico, or are you not allowed to say?

Mr. LEDWITH. I would be able to say that we currently have almost 45 DEA agents and six FBI agents.

Mrs. MINK. Total? That's all total?

Mr. LEDWITH. Yes, ma'am.

Mrs. MINK. That's the cap that the chairman referred to?

Mr. LEDWITH. We currently have no more than 45 DEA agents and 6 FBI agents, ma'am.

Mrs. MINK. That sounds like a very minuscule number of people——

Mr. LEDWITH. I should say the six FBI agents——

Mrs. MINK [continuing]. To deal with such an enormous problem like this.

Mr. LEDWITH. Yes, ma'am, I would agree with you.

The six FBI agents I referred to are FBI agents involved working in DEA offices against drugs. There are other FBI agents in Mexico who work nondrug cases, though.

Mrs. MINK. Given the very limited number of people you have there, if we decertified, isn't it a reasonable assumption that none would be allowed in?

Mr. LEDWITH. I think that might very well be a reasonable assumption.

Mrs. MINK. Ms. Warren, on the whole matter of extradition, I am very much confused. In your testimony you said article 4 of the Mexican penal code has been interpreted to mean that it was mandatory for the Mexican Government to try its own citizens.

Ms. WARREN. Those were decisions by intermediate level appellate courts. The issue is now before their highest court, the Mexican supreme court, for decision; and we hope for a favorable resolution of that, a resolution that would say that article 4 does not bar the extradition of the Mexican nationals, and that should proceed according to the treaty.

Mrs. MINK. Now, if they haven't had any trials, arrests or trials of any significant drug traffickers within their own country, to what extent is article 4 a real impediment?

Ms. WARREN. They have had and they continue to have prosecutions under article 4 and under their regular criminal prosecutions. I agree with Mr. Ledwith, they just haven't had any prosecutions of any high-level traffickers or of the leaders of the major organizations.

Mrs. MINK. Do you have an explanation of why that has not occurred? That is a very troubling point which has been raised in many hearings last year, in meetings that we had with leaders in Mexico; and to this date, there has been no reasonable explanation, and one has to assume that it is because of political pressures, corruption, whatever other kind of explanation comes to mind, because no one seems to be able to pinpoint this difficulty.

Ms. WARREN. I am not able to find the one answer to it. They do have some major traffickers now held for extradition to the United States. We remain hopeful that those will work and those will appear in our courtrooms, the Amezcua brothers.

Mrs. MINK. But then they argue that they won't do this because of our death penalty.

Ms. WARREN. No, they are not facing the death penalty.

Mrs. MINK. These individuals are not?

Ms. WARREN. No, they are not, but they are facing substantial time for their trafficking offenses as violations of U.S. law.

It has been very difficult for the Mexican law enforcement authorities to locate and arrest the major traffickers. They receive a great deal of support and assistance from DEA, but the primary force, of course, is Mexican law enforcement. President Zedillo and Attorney General Madrazo inherited a very difficult situation in the level of corruption in law enforcement in Mexico. It is something that we cannot understand in the United States.

We go after one bad apple in a giant barrel and we are outraged that there was one bad apple.

Think of the numbers that they have had to dismiss and how many more are within their ranks. It makes law enforcement very difficult.

Mrs. MINK. Would you put on the plus side of the ledger the fact that they have fired these thousands of individuals that they have found to be corrupt?

Ms. WARREN. Absolutely. It has been an enormous and courageous undertaking for them to go after that.

Mrs. MINK. Is that a process that has now come to an end and is subsiding, or are they continuing to go forward with this internal investigation?

Ms. WARREN. No, that is a continuing, ongoing effort, both in an administrative way to remove them from employment as well as identifying criminal violations to prosecute those individuals. It is a commitment that the President and the Attorney General have made and make publicly again and again.

Mrs. MINK. Do the President and the Attorney General of Mexico have the power and authority to bring a prosecution against a major trafficker on their own? And has that been explored as one way to overcome this inertia?

Ms. WARREN. Their legal system is not the same as ours. To file charges, they have to meet a standard of proof that their courts judge is an appropriate threshold in order to issue arrest warrants. They have gotten arrest warrants issued against some, for instance, the former Governor of the Yucatan in Quintana Roo. That was a courageous step. They had the evidence to support it and the arrest warrant issued. He escaped before they were able to capture him. So they have tried.

Mrs. MINK. Well, thank you very much, Mr. Chairman.

Mr. MICA. Thank you.

You know, Ms. Warren, you sound a little bit depressed. Last year, I gave a very depressing account of extradition, and you don't sound like you are getting all that much cooperation. You outlined again, and it was confirmed by DEA, still we have not had one major trafficker, Mexican national extradited, correct?

Ms. WARREN. It is discouraging and there were times that we were on more of an upward trend in our extradition relationship, and it has certainly flattened out at the moment.

Mr. MICA. We got one about 2 or 3 weeks ago because extradition was coming up. It was a minor—wasn't it——

Ms. WARREN. We have gotten a few recently, correct; but we are looking for the major cases, and the important ones. The Mexican authorities and the United States have suffered from the Mexican court decisions. Both countries are committed to an independent judiciary and both countries suffer when the courts don't go exactly our ways.

Mr. MICA. Unfortunately—and I have talked about this corruption and the corruption has now led to violence—we are seeing unprecedented violence just in the last year of public officials, entertainers, law enforcement people slaughtered on the streets. Unfortunately, this may have to take the route of what happened in the Mafia in Italy. They became so brazen that the public took to the streets and demanded—I think you may have met Pino Arlacchi, the head of the ONDCP, who headed that effort, and I feel sorry

for the Mexicans. This is predictable, that the corruption would lead to violence and slaughter of their people; and now that is taking place in great numbers. So maybe only an outcry from Mexico will make something happen.

The other thing, too, is decertification merely asks whether the country is fully cooperating to receive U.S. trade, financial assistance and other benefits that are given by this country to other countries. That's why it is so important and that's why I agree with—Senator Helms has said that the process has not been properly followed by the administration.

Having helped draft it, I think that they have misinterpreted the intent of that, and it is to get their attention. I think if you do get their attention on suspending some support in international financial organizations, then very quickly we will begin to take action. Unfortunately, it is taking another route and the violence is now spawning hopefully some action. Even Mexicans have to be appalled by what has taken place just recently.

Finally, the ranking member and I, in November, sent to the President a letter requesting that we have a border coordinator for the Southwest border. That was based on our visit to the Southwest border a year ago, when we met with officials, and it didn't appear like—there were many people trying to do good jobs, but it didn't appear that we had the coordination. Then we held a hearing in Washington and then we signed this joint request.

We haven't had a response back from this request. Has anyone heard anything about such a proposal and where it is in the administration? Have you heard anything, Ms. Warren?

Ms. WARREN. I am not exactly certain where that proposal is. I do know that the Department of Justice and the Department of Treasury together believe that our response, in general, to the need for greater coordination comes through the Border Coordination Initiative.

Mr. MICA. Even our Director of ONDCP stated to us, let me quote, there is no one entity responsible for the coordination of overall drug efforts along the Southwest border; the primary factor contributing to the lack of accountability and coordination of drug control efforts along the Southwest border. That's what General McCaffrey said to us.

We reviewed the situation out there. We held a hearing here. We came to this conclusion. We asked for action.

So is there anything you could do with the Attorney General, with any of your departments, to try to move this along?

The Border Patrol, I know you are doing the best you think you can, but we have reviewed this. It has been reviewed by the national drug czar and others, and I still don't see anybody in control.

Ms. WARREN. Again, the Departments of Justice and Treasury believe that the Border Coordination Initiative is the response, and I would like to be able to provide you with those materials that explain that initiative and how it responds.

Mr. MICA. What I may do then, if you will tell them, is when their appropriations measure comes up, I am going to see what I can do to block their appropriations this year until we get some action on that.

So we will convey that by messenger and letter, because this is long overdue.

We are going to go back to the Southwest border. We were in El Paso. We are going to San Diego and that border crossing on Tuesday. We don't have votes on Monday and Tuesday. We will review the situation again, but it still appears that we have not had action where we have requested that.

Mrs. Mink, did you have anything further?

Mrs. MINK. Yes, Mr. Chairman. The best solution, I think, in the appropriations process is to direct that part of the money being allocated for the initiative be used for the establishment of a coordinator.

Mr. MICA. Well, whatever it takes, and I am willing to work with you. I always like to just stop the train and see if that gets their attention.

Mrs. MINK. I am not for stopping the train. I am for taking my slice out of it.

Mr. MICA. Well, we will do whatever it takes. I thank the three witnesses for being with us this morning and also for your efforts on behalf of the citizens in trying to bring some of this situation relating to Mexico's drug trafficking and border control, the whole problem we face.

We thank you for your efforts and excuse you at this time.

The next panel is Mr. Philip Jordan. He is a DEA, Drug Enforcement Administration, former director of EPIC, the El Paso Intelligence Center. He is now retired, and we have asked him to come and give us his observations; sometimes those in official capacity are a little bit constrained.

And we also have some new players in this effort, so today we will hear from someone who is a veteran and a retired EPIC Intelligence Center director.

Mr. Jordan, maybe you could just stay standing. If you don't mind, I will swear you in.

[Witness sworn.]

Mr. MICA. The gentlemen has answered in the affirmative. Welcome to our subcommittee.

We won't run a clock on you. If you have anything you would like, as far as data, information, background, to submit for the record, we will be glad to do that upon request.

Mr. Jordan, you are recognized. Welcome.

STATEMENT OF PHILLIP JORDAN, DEA (RETIRED), FORMER DIRECTOR OF EPIC

Mr. JORDAN. Thank you, Mr. Chairman.

Distinguished Congressmen, I want to thank you for inviting and allowing me the opportunity to speak before this distinguished subcommittee. My remarks will be brief and from the heart.

I was born in El Paso, TX, and raised approximately five blocks from the United States-Mexican border. I do want to state something for the record. I am not here representing DEA. I have a high respect for the men and women of DEA, for which I worked for 31½ years.

I gave over 30 years of service to the DEA, and Mexico has been part of the fabric of my very being. And by the way, with the politi-

cal atmosphere that's out there today in regards to religion, I am a Catholic.

I am very familiar with the Juarez-El Paso drug transhipment corridor, but rather than being here and representing DEA, which I am not, I would like to believe that I am here representing my neighbors in Plano, TX, of which we have had over 50 heroin overdose deaths in the Metroplex, including about 20 in Plano, where I presently reside. These are overdose deaths from black tar heroin, coming from the country of Mexico.

My testimony today is not based on abstractions, nor is it based on racism or hatred of Mexico. I speak from experience, and this experience is of a Mexico looted by a corrupt ruling class that is addicted to drug money, an antidemocratic elite that has for years oppressed, murdered and terrorized its own citizens, including Kiki Camarena, who was born in Mexico.

The question before this committee should not be whether Mexico has earned the right to be certified this year for cooperation in the war on drugs. The question is: Why, given its record, has Mexico ever been certified?

You saw my former associate walk the edges when you asked him, Mr. Chairman, what does DEA recommend? Of course, DEA does not recommend certification, but we cannot say it for the record, or they cannot say it for the record.

I am talking about the real agents that work with the DEA. In this matter, I can speak from my 30 years of experience in Federal drug law enforcement. Before my retirement, I was the Director of the El Paso Intelligence Center, the very core of our government's intelligence and knowledge about the drug world. In that capacity, I knew a lot of what our government knew as it related to drug intelligence. I helped brief our leading officials on our intelligence information, information that wasn't acknowledged. In fact, the very unit that assembled this type of intelligence and was responsible for the briefings, from the latest intelligence that I have it has now been disbanded, because it was continuing to expose corruption in Mexico.

I witnessed Mexico being recertified year after year, while the drug cartels grew in power and wealth until they finally seemed to dwarf the very Government of Mexico.

It is useful to keep in mind that Mexico earns approximately $8 billion a year from oil production, its major single legal export. Yet Mexico earns approximately $30 billion a year from drugs.

To put this in perspective, our 1995 bailout of the Mexican economy could have been financed by the Mexican Government, without borrowing from the United States, by simply dipping into the Nation's drug revenues. I firmly believe that a strong possibility exists that the Mexican economy would probably collapse without the infusion of drug money. I do not doubt that the leaders of our government are cognizant of this prospect.

The drug black market is no longer a marginal part of Mexico, but has become the very foundation which supports the Mexican Government. The rulers of Mexico survive and profit by selling the United States death on the installment plan. This time each year, as Congress debates whether to certify Mexico, events are staged

by the United States and Mexican Governments to prove cooperation in the drug wars.

Several years ago, the Mexican Government gave us a bone, an expendable Juan Garcia Abrego, an individual that while I was head of the DEA in Dallas, we had him indicted from a Fort Worth police investigation. He was the head of the Gulf cartel, who, I firmly believe, failed to leave his government bribe payments at the highest levels, and this was mainly due to the increased pressure that he was receiving from the Juarez cartel.

The following year, Mexico arrested the general, Jesus Rebollo, their drug czar and also a paid employee of the Juarez cartel, a man whose corrupt past was known to DEA, at least our DEA officers in Mexico.

This year it was the joint FBI-Mexican Government mass grave excavation in Juarez that resulted in uncovering the remains of nine men and two dogs. Eight of these victims were allegedly murdered by the FBI's own Mexican federal police informant.

Meanwhile, the volume of drugs crossing the United States-Mexican border increases. The street value of drugs declines and the U.S. drug problem continues to grow. If the Mexican Government continues to cooperate as vigorously as it has in the past, the price of drugs on our streets may easily drop to the same price as lettuce.

This claim of cooperation is simply—I don't want to say it is a lie, but not true. Cartel bosses, the drug lords, thrive throughout Mexico with impunity; and somebody already stated that. Recently, a leader of the Guadalajara cartel was discovered to be renting a mansion from the Mexican Attorney General's office. Raul Salinas, brother of the previous Mexican President, was discovered to have funneled hundreds of millions of dollars from drug profits to a Swiss bank account. These moneys were laundered through a New York bank that did not even blink at the large money transactions.

Our government wants the American people to believe that while he was in office, former President Carlos Salinas was too busy to notice his brother's illicit activities, and the story continues.

Why do we go through this annual exercise of futility called certification? Is this a simple, pious gesture of no real content because matters of state override enforcement of our drug laws? Should we abandon it? Maybe we should just face reality.

We share a 2,000-mile border with a nation where leadership at the highest level is deeply mixed with the drug business; a government that oppresses its own citizens, including murdering countless people because of the lucrative drug business. It is estimated that each year approximately 1 million of its own citizens—men, women and children—give their message to decertify Mexico by fleeing to the United States, partly to escape the violence associated with the drug business. This is a clear message from their own people that Mexico should not be certified.

But if we are going to continue this practice called "certification," let's at least bargain for something substantial that will help the people of both countries. You heard testimony here today where Mexico will not extradite any major drug lord to the United States. They are not going to extradite the hand that feeds them to the United States.

How about asking for a yearly quota of the drug lords in payment for certification? This human product will not be hard to find since they are currently living in mansions in Tijuana, Mexico City, Guadalajara; and they often carry police credentials given to them by the Mexican Government.

Let's tell the American people the truth. The Mexican Government is corrupt and fattened by drug revenues. The Mexican Government is helping to poison our people and crush its own people. Our deliberate lying about this is killing people in both nations; they are victims of a deadly fiction of our foreign policy, and if we do this one thing, we will benefit the people of both nations. Americans and Mexicans have made long strides toward our deepest democratic belief—government of the people, by the people, and for the people.

I will be happy to answer any questions, and I hope that I was politically correct.

Mr. MICA. Thank you, Mr. Jordan. When did you leave DEA?

Mr. JORDAN. 1996.

Mr. MICA. You have pretty much followed the situation then as a retired official since then?

Mr. JORDAN. Yes, sir.

Mr. MICA. Do you still live along the border?

Mr. JORDAN. I was born in El Paso, TX, and I am now in Plano, TX. Plano, TX, by the way, was where we had that influx of heroin overdose deaths.

Mr. MICA. Primarily among young people?

Mr. JORDAN. Yes.

Mr. MICA. We have had the same thing, Colombian heroin coming through the Caribbean, Puerto Rico, and into my area, so I am aware of a bit of the same problem, different routing.

So since 1996 you said you have been a pretty keen observer, stay in touch and you feel that the corruption has spread over is it about the same from what you're hearing and what you're observing with the Mexican officials?

Mr. JORDAN. It continues to increase. It continues to spread like a cancer; it continues to penetrate our borders.

Mr. MICA. You also claim that drug money is a source of a great deal of income for the government and for officials. What do you base that on?

Mr. JORDAN. Well, the large payments that are documented in intelligence, the large volume of money that exchanges hands from the drug traffickers. For example, it was mentioned earlier, you have to separate the Colombia cocaine coming through Mexico. The Colombians have to pay the Mexicans to allow that cocaine to come through Mexico to the United States. So there is an infusion of money that has to be paid to government officials in order to allow that transshipment of the cocaine from Colombia to Mexico to the United States. This is strictly from 30 years of experience.

Mr. MICA. What do you think that it is going to take to get Mexico's attention to deal with this problem?

Mr. JORDAN. Well, I firmly believe that decertification for 1 year would send a very strong message to Mexico, and they would get the message that we mean business. You know, one thing that

would happen here is that we would be helping both countries. It would not just be penalizing Mexico, it would be helping them.

Mr. MICA. Maybe you heard my comments during my opening statement that Mexico has even corrupted the decertification process. They have hired top lobbyist guns in Washington and Madison Avenue types to gloss over problems and present a good face, masking the narcotics trafficking problem that they have. Even as Chair of this subcommittee and with others, we are fighting a losing battle because they bought off the opposition.

Mr. JORDAN. It is very hard to compete.

Mr. MICA. Even in Washington at this level.

I don't mean that they paid them, but I mean that they have hired the top guns. They have paraded people down there and shown them only the good side, and they have done a Madison Avenue snow job on the rest of the folks. In the meantime, we have given them incredible trade benefits, unprecedented in any country. In fact, we have gone from a positive trade balance to one of the most negative, exceeded by maybe only China, not to mention loss of jobs and loss of economic opportunity plus degradation of the environment. They don't care about labor laws or OSHA or environmental protection, and they take all of this advantage and give us narcotics in return.

Is that a fair observation?

Mr. JORDAN. It is a very fair observation. Very fair, yes, sir.

Mr. MICA. It is very frustrating because the process certifies that they are fully cooperating and makes them eligible for U.S. benefits. They have even so contorted the process that they have convinced some people that there should be an international certification, or inter-American certification process, which is one of the most unbelievable distortions of denying U.S. sovereignty and who gets these trade benefits or financial assistance.

Mr. JORDAN. One thing, Mr. Chairman, that I am sure you are aware of is that every year since certification was approved, Mexico will do a show-and-tell-type thing.

Mr. MICA. Yes.

Mr. JORDAN. Right before February-March.

Mr. MICA. Exactly. We have seen that with one bone thrown recently, coming up with signing up a maritime agreement, which has basically no terms, and a couple of other hollow gestures, which is unfortunate.

I think the only thing that is going to resolve it is more violence in Mexico and the Mexicans rise up and throw out the corrupt officials and demand a change because they have even undermined the process of certification for the United States of America. That is how bad it has gotten.

Mr. JORDAN. That's correct. And I can tell you, sir, that Mexican comandantes, including one we called him an untouchable, told Sam Dillon of the New York Times, I believe—exactly how every year they are supposed to do the right thing at a certain specific time, and then as soon as certification is approved, it is business as usual. I know DEA knows it, but I don't know if the DEA can do anything about it.

Mr. MICA. I am also told that some of the officials that are removed are replaced with other officials; and we had a report, a

GAO report, that some of the officials that have been removed are just moved to other positions.

Mr. JORDAN. That's correct. I heard a figure of 4,000, 4,100 were fired. What you did not hear was how many were rehired.

Mr. MICA. Yes. We have a study that confirms exactly that, and you are saying you've seen the same thing?

Mr. JORDAN. That's accurate.

Mr. MICA. It is unfortunate, too, that corruption seems to continue even at the highest levels—cabinet, even Office of the President. Would that be your assumption?

Mr. JORDAN. Yes. I don't have any knowledge of the current President of Mexico, but in previous administrations——

Mr. MICA. There has been at least one official implicated in his office, and I think the investigation was closed down.

Mr. JORDAN. Right.

Mr. MICA. Are you aware of the amounts of money that have been attempted to be laundered? We had a former Customs agent testify before our subcommittee about a year ago, and he testified that a Mexican general had attempted to launder $1.1 billion in the United States.

Are you aware of any corruption in the military?

Mr. JORDAN. Oh, yes. I am familiar with the corruption in the military from day one. In past operations, to give an example, we would call the Mexican Federal judicial police to assist us in an investigation in Mexico; and if it was a large operation, we would have to call the military. Well, in a couple of instances the Mexican military would notify the principals, and obviously everybody would escape, just like this Governor escaped. I am sure that the Governor knew that he was going to be, "arrested."

Mr. MICA. We all knew that, and we held a hearing and we cited evidence that we had from a trip that we made about the Quintana Roo Governor, Mario Villanueva-Madrid, being involved up to his eyeballs just before he left office; and because they have that immunity while in office, he slipped through everybody's hands and he disappeared.

So you think that is pretty much an inside job, too?

Mr. JORDAN. Yes. That is why you never see any of these officials arrested or tried in Mexico.

Mr. MICA. About the amount, is that farfetched, the billion dollars? Were you hearing large, significant amounts? I guess we know that the Salinas brother ran off with in excess of $100 million?

Mr. JORDAN. Yes. I am not saying that all of it is drug related, but there is a close correlation there between the Garcia organization and the Salinas relationship.

Mr. MICA. You keep current with some of your former colleagues in DEA and some of the other enforcement agencies?

Mr. JORDAN. Yes, I do.

Mr. MICA. Are they reporting back the same type of activity you have described to us today?

Mr. JORDAN. Worse activity in Mexico than ever, including the violence.

Mr. MICA. It has shifted from corruption to violence and at unparalleled levels. Just the brazen murder of the police chief—I

guess it was just within hours of the departure of the President, according to this report in the Washington Post. So it has gotten pretty much out of hand.

Mr. JORDAN. That was a clear message to the President of Mexico that his antidrug speech was not welcomed in that part of town because they immediately executed the police chief. I mean——

Mr. MICA. Well, we appreciate your coming forward today and providing us with your insight. Sometimes it is difficult to get people—as you saw, we had government witnesses here—and we appreciate your stepping forward and also your perception over a number of decades with the agency. We thank you for your service. We appreciate your testimony.

Do we have an agreement on leaving the record open for 1 week? By unanimous consent, the record of this hearing will be left open for additional questions.

There being no further business before the Subcommittee on Criminal Justice, Drug Policy, and Human Resources, this hearing is adjourned.

Mr. JORDAN. Thank you.

[Whereupon, at 12:10 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

DEA Responses to Congressman Mica's Questions for the Record
(Based on the DEA memo dated January 18, 2000)

1. According to the DEA memo, "The Government of Mexico has never officially authorized U.S. law enforcement agents in Mexico to carry firearms for any reason." Doesn't this fundamentally compromise our agents' ability to protect themselves while in Mexico? How can we certify Mexico as fully cooperating with the U.S. when it won't even allow our law enforcement personnel to protect themselves?

The Drug Enforcement Administration considers the safety of its Special Agents to be of the utmost concern. Mexican law prohibits DEA Special Agents from carrying firearms in Mexico. Regardless, DEA Special Agents in Mexico continue to carry out their authorized duties as aggressively as possible. DEA Special Agents assigned to Mexico exercise extreme safety precautions at all times.

The issue of our Special Agents carrying firearms for their self-protection when assigned in Mexico remains unresolved. This issue has been and continues to be raised with the Government of Mexico at every appropriate occasion by the Attorney General, the DEA Administrator and the U.S. Ambassador to Mexico.

Regarding the Certification process. Decisions about Certification are made by the President of the United States based upon many types and sources of information. Questions about these decisions should be addressed directly to the President.

2. Benchmarks were set forth by the February 1999 U.S./Mexico Bi-National Performance Measures of Effectiveness (PME) and the U.S. and Mexico have attempted to reach an accord on adequate safety measures for our agents assigned to the Border Task Forces. Yet, according to the DEA memo, "Discussions were to continue with a view to reach an accord by July 1999 that would meet these measures. To date, this has not been accomplished." Why have we been unable to reach an accord?

The issue of our Special Agents carrying firearms for their self-protection when assigned in Mexico remains unresolved. This issue has been and continues to be raised with the Government of Mexico at every appropriate occasion by the Attorney General, the DEA Administrator and the U.S. Ambassador to Mexico.

Regarding the Certification process. Decisions about Certification are made by the President of the United States based upon many types and sources of information. Questions regarding these decisions should be addressed directly to the President.

3. The U.S. Criminal Code has provisions governing operations of foreign agents in the U.S. But according to the DEA memo, "...by July 1999, both parties were to develop operational guidelines for Mexican law enforcement personnel authorized or accredited in the U.S. ... to date, this has not been accomplished." Why haven't we been able to develop this guideline?

There are no Mexican law enforcement officers performing in an official proactive law enforcement role in the United States. The development of operational guidelines for Mexican law enforcement personnel authorized or accredited in the U.S. was to be determined at senior level management meetings in 1999. The DEA is not aware why no accord has yet been reached on the operational guidelines.

4. According to the DEA memo, "The 10 Mexican nationals approved for extradition, 5 of whom are sought on drug-related charges, have appealed the GOM extradition orders and some also face Mexican charges. To date, no major Mexican drug traffickers have been extradited to the U.S." How can we certify Mexico as fully cooperating with the U.S. when the GOM has not followed through on its promise to extradite drug kingpins to face trial in the U.S. for drug related offenses?

The DEA is extremely disappointed that Mexico has not yet extradited a major Mexican drug trafficker to the United States. We stress the significant importance that the extradition of a major trafficker would bring to our bilateral law enforcement relationship. However, the courts in Mexico seem increasingly resistant to our efforts, and to active implementation of the extradition treaty.

Since 1996, six Mexican Nationals and one dual national have been extradited to the U.S. These extraditions were based on the willingness of the Mexican Foreign Ministry, for the first time, to apply the "exceptional case" provision of its extradition law to allow the surrender of Mexican citizens. Three of those extradited fugitives were charged in the U.S. with drug violations but none can be considered a major trafficker.

The courts in Mexico have now become serious dissenters to the Foreign Ministry's positive actions with regard to the extradition of Mexican Nationals. The recent decisions by the Mexican courts on issues such as the mandatory nature of Article 4 of the Mexican Penal Code and the unconstitutionality of extraditing Mexican Nationals facing life imprisonment threaten to end the slow progress we are making in this area. Unfortunately the executive branch of the Mexican Government has not, as yet, been able to persuade the Mexican courts to change their position.

The DEA is not optimistic that a major Mexican drug trafficker will be extradited in 2000. We will continue to work with the U.S. Department of Justice and the Mexican authorities to ensure those Mexican Nationals facing charges in U.S. courts are brought to justice through the extradition process.

5. A bilateral agreement entitled Basis for Coordination to Authorize Over flights in Mexican Air Space and Landing of Foreign Airplanes went into effect in October 1997. However, according to the DEA memo, "U.S. assets chasing suspect airplanes in "hot pursuit" generally will not be granted permission to enter into Mexican

airspace...all USG counter drug flights must, in fact, turn off their radar while in Mexican airspace. Finally, JIATF-West has requested, of the GOM, to supplement the existing USG aircraft stationed in Mexico by sending military planes to Mexico on a temporary (TDY) basis. This request was denied by the GOM." What steps can be taken by the U.S. Government to move this issue forward?

DEA fully supports any aerial interdiction efforts by the Department of Defense that would result in the seizure of contraband and the arrest of drug traffickers. However, the DEA is not involved in the negotiation of agreements authorizing U.S. aircraft to over fly Mexico on counter drug missions or operate in and out of Mexico on counter drug missions

6. According to the DEA memo, "it is unclear if GOM permission must be sought in all boardings or only in non-consensual boardings of a suspect Mexican flag vessel in international waters. This requirement could adversely affect U.S. counternarcotics operations..." Has this ambiguity been addressed? Does the U.S. Coast Guard have to ask permission to board all Mexican vessels suspected of carrying illegal drugs?

The DEA fully supports any maritime interdiction efforts by the U.S. Coast Guard and the Mexican Navy that result in seizure of contraband and arrest of drug traffickers. The DEA is not involved in boarding of Mexican flag vessels nor is the DEA involved in any agreements or negotiations to board Mexican flagged vessels. However, during 1999, the Government of Mexico Federal Attorney Generals' Office (GOM/PGR) granted the DEA access to several seized vessels containing drugs in an effort to gather intelligence against drug trafficking organizations (note: The United States Coast Guard should be contacted directly to provide a more detailed response to this issue).

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep. John Mica
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
February 29, 2000

Question

1. What is the State Department's assessment of Mexico's political will in dealing with the counternarcotics problem?

Answer

As was indicated by President Clinton's recent certification of Mexico, the U.S. government believes that the Mexican government is committed to cooperating with us to confront narcotrafficking. The February 27 assassination of the chief of police of Tijuana is the most recent demonstration of the risks that Mexican law enforcement officials face from the narcos.

-- Concrete indications of this commitment exist in both the resources devoted by the Mexican government -- President Zedillo announced a $500 million modernization program for narcotics agencies a year ago -- and in the 1999 interdiction and marijuana eradication numbers, which were up from the previous year.

-- All Mexican security agencies are involved in this effort, including the military, which devotes considerable

resources to the counternarcotics fight. The Mexican Attorney General's office (PGR) and especially Attorney General Madrazo deserve special mention for their outstanding efforts to confront narcotrafficking.

-- At the same time, there are issues on which we want to see progress made, such as fighting corruption and improving our extradition relationship.

-- Our conclusion is that the Zedillo Administration is committed to working with us against narcotraffickers, and that it has shown the political will to turn that commitment into action.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep. John Mica
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
February 29, 2000

Question

2. What steps must be taken to achieve a major reduction in the trafficking of illicit drugs across the Southwest border into the United States?

Answer

-- While the level of illicit drug trafficking across the Southwest border remains at unacceptable levels, the level of that activity has been reduced.

-- The U.S. National Drug Strategy calls for a focused and coordinated attack on the hemispheric sources of supply, notably the cocaine-producing areas in South America reinforced through interdiction in the transit countries. This strategy is succeeding.

-- Cocaine production is down. As the newly-released *International Narcotics Control Strategy Report* indicates, coca production has been reduced markedly through a combined approach of eradication and alternative development in Peru and Bolivia, although remains at

worrisome levels in Colombia. This means less cocaine is available. With rising consumption elsewhere in the world, and domestic U.S. consumption declining, less - overall - is coming to the U.S., approximately 512 MT in 1999 compared with 541 in 1998. Of that, less appears to be moving through the Central America-Mexico corridor, approximately 54% (277 MT), down from 59% in 1998. Combined with an increase in drug seizures, the percentage of cocaine arriving in the U.S. from Mexico was reduced to approximately 47% of the estimated 381 MT total successfully delivered.

-- Fewer Mexico-sourced drugs entered the U.S. in 1999 as well. In terms of domestic production, Mexico's eradication and law enforcement efforts reduced substantially the amount of Mexican-produced heroin (down 25%) and marijuana (19%) available for smuggling into the United States.

-- These are tangible indicators that our comprehensive regional strategy, which relies heavily on our hemispheric partners such as Mexico, is working. Unfortunately, there

is another indicator that trans-border drug trafficking organizations are facing greater obstacles is the escalation of violence among trafficking groups competing for control of key routes and targeted against Mexican law enforcement and military personnel. We are similarly concerned about the safety of U.S. law enforcement personnel in Mexico and those serving along the southwest border; the rising danger they face is a testament to their effectiveness.

-- Another worrisome indicator is the increase in domestic drug abuse in Mexico, particularly in border communities. This is clearly fueled by the transshipment of drugs and presence of trafficking organizations. Through the Bi-National Anti-Drug Strategy, the U.S. and Mexico have identified actions to address this problem, including a bi-national demand reduction conference scheduled for May 2000. Engaging Mexican and U.S. communities is an important goal of our joint strategy.

-- These indicators all tell us that we are pursuing the correct international strategy. Sustaining these efforts along with the domestic Southwest Border Initiative of the Department of Justice and law enforcement community, should

yield steady results. We hope to expand on progress on the international side as Mexico and other countries in the Hemisphere begin to implement new control mechanisms, exercise new capabilities, and as regional cooperation and coordination grows.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep. John Mica
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
February 29, 2000

Question

3. U.S. Ambassador Davidow recently stated that "Mexico is 'Drug Headquarters' for [the] World." Certainly this problem did not happen overnight and yet Mexico is certified year after year. How can Mexico continue to be certified as fully cooperating as the situation along the Southwest Border continues to deteriorate?

Answer

Ambassador Davidow did not say that Mexico is the "drug headquarters for the world." He did state that Mexico is one of a number of countries where criminal organizations involved in narcotics trafficking base their operations. This fact, recognized by the Mexican Government, merely underscores the challenges the U.S. and Mexico face in countering the flow of narcotics.

The President's decision to certify Mexico is not a comment on the presence or absence of criminal organizations within Mexico. Rather, it is a judgment on the extent to which the GOM and the USG are cooperating to combat these criminal forces. The President's decision to certify Mexico reflects our conviction that, based on the

record in 1999 and for reasons cited in his statement of explanation, the GOM is cooperating fully with us on counternarcotics.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep. John Mica
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
February 29, 2000

Question

4. Corruption continues to be singled out as the major impediment in Mexico's counternarcotics efforts. What is the State Department's assessment of the progress that is being made in this area? What is needed to ensure further progress?

Answer

Corruption is perhaps the most intractable problem in Mexico's counternarcotics effort and complicates cooperation with the United States and other international partners. The two governments recognize this and are working closely to address the immediate problems it causes, as well as to look for longer-term solutions. Combating corruption is a regular subject of discussion at the High-Level Contact Group, chaired by ONDCP Director McCaffrey, and in other senior fora. Measures to address corruption figure prominently in our Bi-National Anti-Drug Strategy, made concrete in specific *Performance Measures of Effectiveness* (PMEs).

-- The GOM recognizes how corruption threatens the integrity of its law enforcement agencies and has

prosecuted personnel whose misconduct has come to light. We have supported Mexico's efforts through both a dual screening procedure for sensitive units and have provided technical assistance to the justice ministry's Confidence Control Center which oversees screening of current and prospective agents and prosecutors.

-- There have been set-backs, such as during 1999 with the arrest of several previously-screened Mexican agents on drug-related corruption charges. However, the two governments have initiated a comprehensive bilateral survey of how the three-year-old vetted unit program can be improved.

-- Mexico has instituted a number of other steps to address corruption, including creation of a data base of cashiered law enforcement personnel to ensure that they are not hired by another security agency, investigation of judges and prosecutors suspected of collusion with narcotraffickers, and inviting the U.S. to participate in a broad technical review of how Mexican special investigative units can improve their operational effectiveness.

-- Nonetheless, significant problems remain. Corruption is viewed by U.S. law enforcement personnel as the principal obstacle to more effective collaboration with Mexican law enforcement.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep. John Mica
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
February 29, 2000

Question

5. Corruption remains a serious problem in Mexican {sic}. How does the State Department evaluate the "corruptibility" of Mexican officials? Keeping in mind the case of former Mexican Drug Czar General Gutierrez Rebollo, how accurate is our current assessment of corruption in Mexico? What is the situation in several Mexican states where there are reports of deep-seated corruption?

Answer

The Department of State is very concerned over the extent of corruption within Mexican law enforcement institutions. Corruption is one of the greatest threats to our joint efforts to combat transnational crime and narcotics trafficking.

-- The enormous wealth of narcotics traffickers and their willingness to use violence make frontline officials susceptible to corruption. Mexican leaders realize this and have implemented procedures to vet new and existing law enforcement personnel, fire corrupt officials and prevent them from being rehired, as well as to investigate judges and prosecutors suspected of aiding traffickers.

-- Drug-related violence and corruption are particularly acute in the those Mexican states that are home to major trafficking organizations: Baja California, Chihuahua, Sinaloa, Jalisco, and Tamaulipas. In response to growing violence in those states, some of it committed by compromised law enforcement officials, President Zedillo, has committed to redoubling Mexico's efforts to combat drug related violence and corruption with an immediate infusion of nearly $50 million in Baja California and Chihuahua.

-- It should be noted that hundreds of Mexican government and law enforcement officials bravely put their lives at risk in an effort to stop the scourge of narcotics trafficking.

-- Tijuana Police Chief Alfredo De La Torre, gunned down on February 27, was only the most recent in a long line of Mexican officials murdered by brutal trafficking organizations.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep John Mica
Subcommittee on Criminal Justice, Drug Policy
and Human Resources
February 29, 2000

Question

6. If the United States took action to decertify Mexico, what would be the consequences? How would these consequences impact Mexico's relationships and cooperation with the United States?

Answer

The President has determined that the Government of Mexico cooperated fully with the United States in our counternarcotics efforts during 1999. Our bilateral cooperation led to important advances in our counternarcotics efforts. Failure to recognize such efforts would have put future cooperation at risk.

-- Even a vital national interest certification would have resulted in serious consequences for Mexico, and for U.S.-Mexico relations. It would be a tremendous blow to the Zedillo Administration and of those working for political and anti-corruption reforms.

-- Mexico would continue to pursue its anti-drug program, but the spirit of cooperation would be seriously damaged.

Our efforts in all likelihood would be less effective and the flow of drugs to the United States would increase.

-- If a country is decertified, and not granted a vital national interest certification, most foreign assistance is cut off and the United States is required to vote against funding to that country by six multilateral development banks.

-- While decertification would suspend all but anti-drug and humanitarian assistance to Mexico, the greatest impact would be on ExIm Bank financing. Mexico is the single largest beneficiary of EXIM programs, bringing hundreds of millions of dollars in business to U.S. exporters and service providers. Termination of these loans would have a very negative affect on U.S. companies. Decertification could also have lead to a loss in investor confidence in Mexico, and resulted in significant economic instability with repercussions in the United States.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep John Mica
Subcommittee on Criminal Justice, Drug Policy
and Human Resources
February 29, 2000

Question

7. In October of 1999, the Mexican army returned 73 Huey helicopters to the United States because of a lack of U.S. support in spare parts, maintenance and repair programs needed to keep them flying. What U.S. government entity was responsible for providing this needed support? How can we expect to stop the drug traffickers if the U.S. government is not willing to follow through?

Answer

The initial goal of the UH-1H program developed by the Department of Defense in 1996 was to provide the Mexican Air Force with an immediate enhancement of air mobility to respond to an alarming development in trafficking trends - use of fast-moving cargo jets with multi-ton loads of cocaine. This complemented a Mexican military initiative to develop special air-mobile counter-drug forces to use against trafficker strongholds and in other particularly hazardous operations.

-- As the threat diminished, the aircraft were increasingly assigned to other counter-drug missions, such as troop transport for eradication - for which they were well suited.

-- DOD's program included a two-year supply of spare parts, support equipment, and tools, $8 million in Foreign Military Sales credits, and training for 188 pilots and 389 mechanics to enhance the Mexican military's ability to operate and support the aircraft. However, Mexican government assumed the full responsibility for maintenance and support costs in the transfer agreement.

-- Because of aircraft shortages at the time, the helicopters were used at a higher rate than originally estimated and the GOM had difficulty maintaining an adequate spare parts supply at this heavy use rate.

-- Compounding this, in March 1998, the U.S. Army issued a safety-of-flight message grounding UH-1H helicopters worldwide pending safety checks and, in many cases, costly and time-consuming repairs.

-- After briefly discussing options for addressing problems in the airfleet, including the possibility of a cost-sharing arrangement with the Department of State, the Government of Mexico determined in fall 1999, that it would pursue purchases of new aircraft rather than try to support

the aging UH-1H fleet. The aircraft were returned to the U.S. in late 1999 where they are being examined for possible use in other U.S.-supported programs.

-- The U.S. government is committed to following through in providing support to cooperating nations, and we did so in this case.

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February 29, 2000

Question

8. One of our most successful programs with Colombia has been using International Emergency Economic Powers Act (IEEPA) sanctions. What plans are there for using sanctions to stop legitimate trade with Mexico from being exploited by traffickers? If there are no definite plans, when can we expect some action?

Answer

The Congress passed and the President signed late last year the Foreign Narcotics Kingpin Designation Act under which the Secretary of Treasury, the Attorney General, the Secretary of Defense, the Secretary of State, and the Director of Central Intelligence will consult and provide the President, as well as the Director of the Office of National Drug Control Policy, with information regarding significant foreign narcotics traffickers. By June 1, the President will submit to designated Congressional committees a report identifying those foreign narcotics traffickers that are appropriate targets for sanctions under the Act. Commercial enterprises facilitating the operations of those drug kingpins will also be subject to sanctions.

We would hope to coordinate with the Mexican government development of information needed to identify businesses working in conjunction with any Mexican nationals the President may designate for sanctions under the Act. We have underscored with the GOM both the independence with which the USG must make ultimate determinations, and our commitment to ensuring that our compliance with provisions of the Foreign Narcotics Kingpin Designation Act does not adversely affect innocent parties.

I would refer you to the Department of Treasury for more detailed information on how the Act will be implemented.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep John Mica
Subcommittee on Criminal Justice, Drug Policy
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February 29, 2000

Question

9. How much money is the United States going to contribute to Mexican counternarcotics efforts this year? What is projected for FY-01 and FY-02?

Answer

USG counternarcotics funding for Mexico is summarized as follows:

Agency	FY00	FY01 request	FY02 (est.)
Dept. of State/INL	$10 million	$10 million	Est. $10-12 million
Dept. of Defense (Sect.1004 - training)	$ 7.76 million	$ 7.65 million	Est $7-8 million
TOTAL	**$ 17.76 million**	**$19 million**	**Est. $18 million**

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
By Rep John Mica
Subcommittee on Criminal Justice, Drug Policy
And Human Resources
February 29, 2000

Question

10. Reports indicate that the primary method of smuggling drugs into the United States is shifting from airborne to maritime. What additional resources or cooperative agreements are needed to effectively counter this change in the drug trafficking threat?

Answer

Traffickers turned increasingly to maritime and overland trafficking methods after the Government of Mexico, with U.S. support, developed in the early 1990's an air interdiction program capable of reacting quickly throughout the nation. The number of suspect air movements from South America to Mexico dropped markedly and has remained negligible for several years. Most detected air events are now short "hops" from neighboring Belize or Guatemala into southern Mexico or short flights within Mexico landing just short of the U.S. border.

-- The loads are moved to international waters off the coast of Mexico on Colombian or other South American "motherships" and transferred to Mexican-flagged fishing

vessels. Four vessels of this kind have been interdicted by Mexican and U.S. authorities in the past ten months. Smaller loads (one ton or less) are moved more frequently via fast boat along the Central American coastline into remote coastal areas in Mexico. Neither the U.S. nor Mexico has vessels fast enough to keep pace with these vessels, which can reach speeds of up to 60 knots and have a range of 700 nautical miles.

-- The Mexican Secretariat of National Defense (SEDENA), which comprises the Army and the Air Force, and the Secretariat of the Navy rank counternarcotics operations as priority missions. The military and law enforcement agencies participated in a massive surge operation during much of the year called "Operation Sellamiento (Seal)" aimed at sealing off Mexico's large, isolated coastal areas from use by narcotraffickers. The Navy pursued an active fleet modernization program to enhance its ability to confront maritime drug trafficking. This upgrade included: production of medium-sized patrol boats with state-of-the-art electronics and intercept capability, conversion of two Knox class frigates for CN operations (purchased from the U.S. in 1998), and purchase of 20 speedboats for coastal and riverine patrolling. The Mexican Army has also created

a special amphibious force (GANFEs) to operate in remote and isolated coastal areas.

-- The U.S. and Mexico enjoyed significant success in maritime drug interdiction in 1999. Cooperative interdiction operations in three cases yielded nearly 30 metric tons of cocaine; a fourth event in early 2000 yielded another 2.25 metric tons. We are working to build on that success in 2000 through better communication between vessels and maritime interdiction authorities, including periodic planning sessions.

-- In addition to these interdiction operations, Mexico requested U.S. technical assistance conducting ion scans of three suspect vessels during dockside boardings of in Mexico. The U.S. Coast Guard conducted a four-week counternarcotics boarding team training class for the Mexican Navy and Marine Corps. The Office of the Attorney General (PGR) has stationed a liaison officer at the U.S. Customs Service Domestic Air Interdiction Center in Riverside, California, and has been invited by the U.S. Coast Guard to station a second liaison officer at the Joint Interagency Task Force-West in Alameda, California,

specifically to improve coordination on maritime interdiction.

-- At this time, we intend to pursue improved coordination and operational effectiveness through practical cooperation, rather than cooperative agreements.

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February 29, 2000

Question

11. Please provide examples of what has been achieved by the various special units with the Mexican Attorney General's Office?

Answer

Narcotics investigations in Mexico are carried out by the Office of the Special Prosecutor for Crimes Against Health (FEADS), the Organized Crime Unit (OCU), the Sensitive Investigations Unit (SIU), and the Bilateral Task Forces (BTF), all of which fall under the Office of the Attorney General (PGR). Together, these units are responsible for many of Mexico's major law enforcement successes, including the arrest of significant operatives of the Carrillo Fuentes organization during 1999 and seizure of an estimated $200 million worth of cartel assets in Quintana Roo and Tamaulipas states and in Mexico City. others. The specialized units were responsible for supporting the major U.S. investigations "Operation Millennium" and "Impunity" through the arrest of important Colombian and Mexican operatives, as noted in the DEA

testimony. Cooperation by U.S. law enforcement with these units has accomplished successes such as the dismantling of a cocaine and a methamphetamine laboratory.

- The vetted law enforcement units have, however, experienced setbacks, such as those described in the recent testimony by DEA and the Department of Justice before your Subcommittee as well as in the Department of State's *International Narcotics Control Strategy Report*. The Government of Mexico has indicated its commitment to address the organizational, procedural, and logistics problems that have undermined these units' effectiveness and that have inhibited cooperation with U.S. law enforcement. In December, Mexico invited the U.S. to participate in a technical review of the operations of the OCU, SIU, and BTFs to identify ways to improve their operational effectiveness.

-- The U.S. Government is committed to working with the Government of Mexico to overcome these problems so that they can perform more effectively and can work more productively with U.S. law enforcement.

Question for the Record Submitted to
Assistant Secretary of State Rand Beers
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February 29, 2000

Question

12. What is being done to stop the use of legitimate commercial companies in Mexico from being used by traffickers? What is being done about fraudulent companies?

Answer

Drug seizures by Mexican and U.S. authorities continue to reveal the incredible lengths to which smugglers will go to move their contraband. While many continue to favor hidden compartments in tractor trailer rigs or other vehicles, drugs are still found sealed in vegetable cans or hidden under perishable produce. The more sophisticated methods include hiding shipments within the vastness of legitimate containerized cargo.

Legitimate companies are encouraged by both governments to increase their own security and internal controls to prevent exploitation by smugglers. The U.S. Customs Service has a number of initiatives to work with commercial entities. Building a solid public-private

sector partnership is obviously critical to both detection of drug shipments and longer-term deterrence.

The U.S. and Mexico have discussed the importance of identifying and dismantling the fraudulent front companies owned and operated by criminal organizations. The extent of this problem in Mexico is not fully understood. Some of these companies have a direct role in the criminal activity, such as trucking or transportation firms. Others are essentially legitimate activities, but function as a means of hiding or laundering proceeds of crime. Mexico's new asset forfeiture law may help in strengthening the hand of law enforcement against such entities.

The Performance Measures of Effectiveness document that accompanies the Bi-National Anti-Drug Strategy outlines a number of pilot activities that are being pursued by the two governments in this important area.

Question for the Record Submitted to
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By Rep John Mica
Subcommittee on Criminal Justice, Drug Policy
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February 29, 2000

Question

13. Mexico was certified last year. What events—or lack thereof—would have to occur for the State Department to recommend that Mexico be decertified?

Answer

The Department of State is committed to upholding both the letter and the spirit of the Foreign Assistance Act of 1961, as amended, as well as other pertinent legislation relating to the narcotics certification process.

-- As we do with all countries subject to review, the State Department, working with the interagency community, will continue to assess objectively whether or not Mexico cooperated fully with the United States or took adequate steps on its own to achieve full compliance with the goals and objectives established by the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

-- If the Department of State or any of the other agencies with which we work closely during the

certification process (Justice, Treasury, Defense, DEA, CIA) believed that Mexico failed to meet the standard established by law, the Secretary would so note in her recommendation to the President.

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February 29, 2000

Question

14. What is Mexico's current capability to monitor its ports for smuggling? To patrol its coastline? To prevent maritime smuggling into or out of Mexico?

Answer

Many of Mexico's ports are now privatized, operated by large commercial facilities managers. Law enforcement jurisdiction in the ports was previously held by the Federal Highway Police, but was transferred in 1999 into the newly-created Federal Preventive Police (FPP) force. It is charged with maintaining public security in border and coastal areas, seaports, federal highways, railroads, border crossings, customs and immigration checkpoints, and other areas under federal jurisdiction. This new force has been in existence less than a year, and it will take time for it to become effective in all of its areas of responsibility. The U.S. has offered training and technical assistance to accelerate this process, including skill areas needed to detect drug trafficking in the ports.

-- Mexico has significantly expanded its ability to patrol its coastal waters and to interdict maritime shipments in the past year. The Navy's fleet modernization program included: production of medium-sized patrol boats with state-of-the-art electronics and intercept capability, conversion of two Knox class frigates for CN operations (purchased from the U.S. in 1998), and purchase of 20 speedboats for coastal and riverine patrolling, helicopters for coastal patrol and other assets. The Mexican Army has also created a special amphibious force (GANFEs) to operate in remote and isolated coastal areas.

-- In November 1999, the Mexican government developed new operating procedures to cover inspection of suspect maritime vessels and to improve coordination among governmental entities. Improved cooperation and communication with U.S. maritime authorities has also increased the ability of the forces of both nations to operate effectively.

Question for the Record Submitted to
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Question

15. As a result of the fervor raised by Operation Casablanca (where U.S. Customs agents reportedly operated in Mexico without the knowledge of Mexican law enforcement), has the Administration made any subsequent agreements with Mexico that would undermine the U.S. ability to conduct similar undercover operations in the future?

Answer

In the aftermath of Operation Casablanca, the U.S. and Mexico have sought to improve communication and facilitate closer cooperation on law enforcement issues. A memorandum of agreement signed by U.S. and Mexican attorneys general at Merida in February 1999 called for notification of major or otherwise sensitive cross-border law enforcement operations.

Enhanced communication with the Mexican Government on major or otherwise sensitive law enforcement operations will not undermine our ability to conduct authorized USG activities in Mexico. The Merida MOU will ensure, however, that appropriate law enforcement activities, discussed in advance with a very limited circle of senior Mexican

officials, can proceed without offending Mexican political sensitivities, and thus placing at risk the entire gamut of U.S.-Mexico law enforcement activities.

U.S.-Mexican cooperation since February 1999 on undertakings including Operations Impunity, Millennium, and Southwest Express, as well as the Mexican Government's invitation to the FBI in November 1999 to assist the investigation of narcotics-related mass graves in Ciudad Juarez, testifies to an improved and productive atmosphere for law enforcement cooperation.

RESPONSES FROM THE DEPARTMENT OF JUSTICE
(Deputy Assistant Attorney General Mary Lee Warren)
TO QUESTIONS POSED BY CHAIRMAN JOHN L. MICA

Question 1: When can we expect to see a major Mexican drug trafficking kingpin extradited to the United States? Do you think we will ever see the Amezcua brothers serving time in a U.S. jail? The extradition of Jesus Amezcua was approved by the Mexican Foreign Ministry – why isn't this individual in jail in the United States?

Response: As you know, I am not in a position to predict when a major Mexican narcotics trafficker might be extradited to the United States. We at the Department of Justice, like you in the Congress, are greatly disappointed that such an extradition has not already occurred, and we are chagrined and frustrated by the lengthy delays in surrender caused by the unpredictable and seemingly circuitous amparo process in Mexico. We continue to do what we can to stress the extraordinary importance of the extradition of a major trafficker to the bilateral law enforcement relationship, but the courts in Mexico continuously raise new and unexpected grounds for slowing progress in this area or thwarting our efforts altogether.

I must state for the record that prior to the Zedillo Administration, there had been no extraditions of any Mexican nationals and that the mere mention of the subject in bilateral discussions was considered anathema. Since the beginning of 1996, six Mexican nationals and one dual national have been returned to us through the extradition process; and we, like you, had high hopes for a continuation and expansion of the Mexican Foreign Ministry's willingness to apply the "exceptional case" provision of its extradition law to authorize the surrender of Mexican citizens.

As noted earlier, however, the courts in Mexico have now become serious dissenters to the Foreign Ministry's positive actions with regard to nationals, including major drug trafficking kingpins. Their recent decisions on such issues as the mandatory nature of Article 4 of the Mexican Penal Code (mentioned in my formal testimony) and the unconstitutionality of extraditing those facing possible life imprisonment have turned the beginnings of progress into a retreat to earlier presumptions against extradition, particularly when a Mexican national is the subject of our request. Unfortunately, the executive branch of the Government of Mexico has not as yet found ways to halt this retreat.

I remain hopeful that we will eventually see the extradition of a major Mexican trafficker to the United States, but I am not optimistic that such an event will occur in 2000.

The second part of your question refers explicitly to the Amezcua brothers, who have shown themselves to be particularly persistent and innovative in challenging our extradition requests in the amparo process. For the same reasons I stated in the answer to the first part of this question, I am not in a position to predict whether the Amezcua will eventually be extradited.

In the third part of your question, you ask why Jesus Amezcua has not yet been surrendered to the United States despite the fact that the Foreign Ministry has entered an extradition order against him. As I am sure you know, such a resolution has also been issued against his brother Luis Amezcua.

In the United States, surrender warrants issued by the Secretary of State are generally not subject to judicial review, the legal and evidentiary sufficiency of the extradition request having already been approved by the courts. In Mexico, on the other hand, extradition resolutions from the Foreign Ministry may be, and usually are, challenged in the courts through the amparo process. The Amezcua brothers have chosen to seek judicial relief from extradition, and their surrenders will necessarily be delayed until they have exhausted the legal avenues of appeal that are available to them in Mexico.

Question 2: What is the status of the requested extraditions from Mexico, specifically extradition requests resulting from Operation Casablanca?

Response: Our extradition requests for five Mexican bank officers were denied by the Mexican Foreign Ministry on February 6, 1999. We have been informed by our Mexican counterparts that they are continuing to investigate this matter to determine whether domestic prosecutions can be pursued.

Question 3: What is being done to the Mexican banks that were exposed for money laundering in Operation Casablanca? What is being done about the U.S. banks that cooperated with the Mexican banks?

Response: The indictments filed in May 1998 arising out of Operation Casablanca included money laundering counts against three Mexican banks: Bancomer, Banca Serfin and Confia. In addition, the United States froze correspondent bank accounts in the United States of other Mexican banks where officials knowingly accepted and laundered drug proceeds.

To date, we have civilly forfeited the following from Mexican banks: Banco Bilbao Vizcaya - $175,000; Banoro - $1,101,761 (default judgment); Banamex - $2,489,151; Banpais- $1,521,407 and Santander de Mexico - $673,347.

On March 30, 1999, Bancomer and Banca Serfin each pleaded guilty to a money laundering count and were sentenced to pay a criminal fine of $500,000. In addition, Banca Serfin agreed to forfeit $4.2 million civilly and Bancomer agreed to forfeit $9.4 million civilly. As part of the plea agreement, each bank agreed to implement extensive anti-money laundering programs. On the same date, Confia entered into a stipulation of forfeiture of $12.2 million, the entire amount laundered through Confia's accounts. Confia also agreed that it will take

reasonable steps to assist Citicorp (which had acquired Confia) in implementing an anti-money laundering compliance program.

With respect to U.S. banks, Operation Casablanca did not identify U.S. banks in violation of U.S. money laundering laws. It did, however, identify a number of accounts in U.S. banks into which drug trafficking proceeds were deposited, and the U.S. Government seized all such identifiable accounts.

Question 4: What steps are being taken to stop money laundering in Mexico?

Response: The Governments of Mexico and the United States have pledged to identify, target, investigate, and prosecute the movement of drug proceeds between our two countries. Such activity is ongoing with respect to specific cases, but we also are concerned with money laundering systems by which drug proceeds are being moved.

One such money laundering system is the physical movement of bulk cash generated from drug sales between our countries. This phenomenon is especially significant due to the ever-increasing role that Mexican drug traffickers have with respect to the transportation of drugs to the United States. Thus, there now are greater amounts of drug proceeds to be moved out of the United States that are controlled by Mexican traffickers than in the past.

Accordingly, on March 8, 2000, the Deputy Attorney General and the Deputy Secretary of the Treasury announced an inter-agency effort to enhance the Government's ability in identifying and attacking this money laundering system. As a result, these Departments of Justice and the Treasury designated the border between Mexico, and Texas and Arizona as a High-Risk Money Launder and Financial Crimes Area (HIFCA). The designation of HIFCAs is intended to concentrate law enforcement efforts at the Federal, state and local level to identify, target, investigate, and prosecute money laundering activity within the HIFCA, whether that activity is based on drug trafficking or other crimes. Therefore, action teams, comprised of Federal, state and local anti-money laundering investigators and prosecutors, will concentrate on bulk currency shipments, both inbound and outbound, along the Southwest border generally, but within the HIFCA specifically.

Law enforcement and regulators will place particular emphasis on identifying and examining those individuals and entities moving anomalous volumes of U.S. currency into the United States from Mexico, whether bank-to-bank or through cross-border accounts, and on the downstream movement of these funds after they are placed in U.S. financial institutions. We anticipate working closely with Mexican officials, particularly the Secretariat of the Treasury (SHCP) and the Attorney General's Office (PGR) to enhance identification of couriers and others moving drug proceeds and other illicit cash across our borders.

The Government of Mexico recently has made progress in its legal and regulatory framework to enhance its capacity to identify and combat money laundering, but we have not seen a correlative increase in Mexico's drug money laundering investigations and prosecutions.. During 1999, the SHCP, PGR, and the National Banking Commission (CNBV) enhanced cooperation to enforce the measures available to them under the May 1996 money laundering law (Article 400 Bis of the Federal Penal Code) and corresponding 1997-98 anti-money laundering regulations. With this law, the Government of Mexico criminalized the laundering of proceeds related, not only to the illicit drug trade, but also to other serious crimes as well, and instituted penalties ranging from five to 15 years imprisonment for employees of financial institution convicted of money laundering. Banks and other financial institutions are required to know and identify customers, maintain records of transactions, and report currency transactions over $10,000 (Currency Transaction Reports - CTRs) and transactions considered unusual or suspicious to the Mexican equivalent to FinCEN (Suspicious Activities Reports - SARs), the Directorate General for Transaction Investigations (DGAIO), which is within the Hacienda.

During 1999, the DGAIO received more the six million CTRs and nearly 2,000 SARs, twice the number it received in 1998, but we are unaware of special investigations or prosecutions that have been commenced or enhanced on the basis of these filings. The DGAIO and the Mexican banking community continue installation of computer systems to automate the filing of the CTRs and SARs, and have sponsored seminars and conferences for bankers, examiners and regulatory officials on their obligations under the law.

Further, in January 1998, a Money Laundering Investigative Unit was established within the PGR. We have been informed that this Unit continues to develop a staff of in-house expert investigators to strengthen the money laundering cases presented to the judiciary. The lack of expert financial investigators and experience throughout the judiciary in applying the money laundering statutes has been a significant roadblock to successful prosecutions.

Mexico also is a full and active partner in the U.S. /Mexico High-Level Contact Group/Money Laundering Group. In July 1999, a working level task force integrated by DGAIO, PGR and U.S. Customs Service and Internal Revenue Service was established to examine ongoing investigations and leads. The Governments of Mexico and the United States continue to implement bilateral treaties and agreements for cooperation in law enforcement issues including the MLAT signed in 1987, the Executive Agreement of Asset Sharing signed in 1995, and the 1994 Financial Information Exchange Agreement (FIEA). The PGR and U.S. Department of Justice have initiated four coordinated investigations under the MLAT.

New legislation governing the use of seized and forfeited assets went into effect in August 1999. This law created an office within the Hacienda to administer the forfeited assets for law enforcement activities, and it allows for the sharing of assets with third countries. The Mexican Hacienda and U.S. Treasury Department initiated 16 simultaneous investigations under the FIEA (seven by Mexico and nine by the United States).

The Governments of Mexico and the United States continue to compare data on currency transported across the U.S.-Mexico border as reflected in the currency and monetary instrument reports (CMIRs) required by both countries. In January 1999, the Government of Mexico increased the reporting threshold for inbound currency from the equivalent of $10,000 to $20,000; Mexican law does not require the reporting of outbound currency. In December 1999, the Mexican Hacienda and U.S. Treasury Department concluded a Memorandum of Understanding establishing additional conditions under which the Mexican DGAIO and the Financial Crimes Enforcement Network can exchange CMIR information.

Despite the legislative and regulatory advances of the past few years and enhanced domestic and international cooperation discussed above, weak areas remain that hinder effective implementation of Mexico's anti-money laundering program. The customer identification provisions do not apply to third party beneficiaries, which affect the large volume of transactions made by individuals on behalf of the principal account holder. Some financial institutions are exempt from the CTR record keeping and reporting requirement if the customer is another financial institution, an exemption that affects reporting on licensed casas de cambio. Although the 1998 regulations for the reporting of CTRs and SARs are sufficiently specific, there is still considerable misunderstanding throughout the financial sector of what is required to be reported. The lack of qualified and experienced personnel in the regulatory agencies and within the banking community needs to be addressed. Additional efforts need to be directed towards developing cooperative relationships among law enforcement, financial regulators, and the financial sector to reduce vulnerabilities of the financial system.

Question 5: The Mexican Attorney General's office (PGR), namely the Organized Crime Unit and the Bilateral Task Forces, have not made much progress. Why not? Does corruption play any role in this?

Response: The Governments of Mexico and the United States have both been somewhat disappointed in the slow progress that has been made in bringing the Organized Crime Unit and the Bilateral Task Forces up to full operational capacity. There are several apparent causes for the delays in establishing fully working task forces: lack of committed personnel and financial resources; personnel assignment turbulence; delays in completion of critical "vetting" of personnel; and isolated, but disturbing, incidents of corruption. In addition, the Mexican authorities have failed to take full advantage of their new investigative authorities (such as electronic surveillance and undercover operations) provided for in the Organized Crime Law enacted several years ago. Nevertheless, DEA and the PGR have undertaken a joint assessment of the Bilateral Task Forces, including the Organized Crime Unit, in an effort to identify apparent shortcomings for resolution. Both Governments have pledged to commit the best efforts to correct these problems.

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OUTLOOK

Commentary and Opinion

Will NAFTA Free the Drug Trade?

By William von Raab
and F. Andy Messing Jr.

Cocaine Businessmen Too Will Exploit Open Borders

THE NORTH American Free Trade Agreement is now openly referred to as the "North American Drug Trade Agreement" by U.S. Customs and Drug Enforcement Agency personnel. This overt skepticism reflects discontent over the fact that national security concerns have been neglected in the NAFTA negotiations between Canada, Mexico and the United States. Two less-than-welcome imports are likely to increase under NAFTA: drug trafficking and violence.

In May, a New York Times story on NAFTA cited a U.S. government intelligence report which maintains that Mexican drug lords are buying so-called *Maquiladora* companies—firms that enjoy special exemptions from paying a portion of customs duties on goods they produce for shipment to the United States. The traffickers are then establishing trucking subsidiaries of the firms, ostensibly to ship the goods they produce. When NAFTA's provisions are fully implemented, the trucks operated by these firms will be able to ship goods virtually unimpeded to any point in the United States. The result is likely to be a sharp increase in the volume of drugs transported to the United States from Mexico.

As it is, a U.S. Embassy official in Mexico stated that 70 percent of the cocaine coming into this country enters via the Mexican border. Accordingly, most law-enforcement officials estimate that seized drugs represent at most, only 10 percent of the flow across these borders.

Evaluating the effectiveness of Mexico's anti-drug program is difficult. A recent congressional trip to Mexico with Reps. Dan Burton (R-Ind.) and John Duncan (R-Tenn.) left us with the impression that "soft-enforcement" measures were seeing a renewed, increasing effort. Soft enforcement is the siezure and eradication of drugs. Such efforts are easy to measure statistically and easy to implement politically.

Nothing we say or heard, however, led us to believe that Mexico had tackled "hard-enforcement," i.e. arresting significant drug figures, cracking down on money-laundering or disrupting drug enterprises. Without a real hard-enforcement anti-drug effort by the Mexicans, NAFTA will hurt.

More disturbing though, is the fact that the increased flow of drugs will be probably be accompanied by a surge in uncontrolled violence. A tragic illustration was the May 25 killing of Cardinal Juan Jesus Posadas Ocampo and six other innocent bystanders. The cardinal was caught in the crossfire of two feuding drug factions in a shoot-out at Guadalajara International Airport.

Nonetheless, increased violence is not the only negative consequence of the NAFTA-drug connection. Under the best circumstances, vast differences between the ethical framework for doing business in Mexico and that in the United States create significant problems for American firms operating across the Rio Grande. For example, the tradition of paying public officials and business agents bribes (known as *mordida* or the bite) is common. American firms, however, risk civil and criminal penalties under U.S. law if they pay them. When the influence of narcotics traffickers is injected into this already corrupt business environment, it becomes almost impossible for U.S. firms to do business legitimately.

The epidemic of drug-induced corruption has left the Mexican judicial system in a shambles. In the words of Jorge Tello, director general of the National Center for Drug Control, the drug trade leaves "trails of corrosion" that "erode Mexico's sovereignty."

Finally, NAFTA is not essential to the reforms needed in the Mexican business system. These reforms have been implemented over the past 10 years, reform that will continue with or without NAFTA. Jaime Zabludovsky, a Mexican government official and chief NAFTA negotiator, told us that: "Trade has doubled in the last four years without NAFTA . . . . Trade will keep growing without NAFTA." Accordingly, the passage of NAFTA now appears to be largely a psychological security blanket for business, an expensive ego trip for senior government officials—and surely an opportunity for drug traffickers.

In the war on drugs, reducing availability is of paramount importance. NAFTA in its present form is likely to promote a quantum increase in drug availability. To approve NAFTA, based on mostly on hypothetical, if not flawed, economic data without considering its social, political and security ramifications will be detrimental to the United States.

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