



## Inside Mexico's Drug War

*Tomas Kellner and Francesco Pipitone*

AGUASCALIENTES, Mexico—Just before noon on February 15, 2007, four municipal police officers in Aguascalientes, the picturesque capital of the central Mexican state bearing the same name, were called to a mundane road accident. An overturned, black Chevy Suburban with out-of-state license plates was blocking traffic on the quiet Boulevard John Paul II that runs through the city's sleepy western suburbs.

When local police commander Juan José Navarro Rincón and his three colleagues arrived, they saw two men who did not appear to be hurt, removing AK-47 assault rifles and police uniforms from the crashed vehicle to a white Nissan sport utility vehicle (SUV) parked nearby. Navarro Rincón called for reinforcements. He was about to arrest the pair when two other cars came to an abrupt stop just up the road. Three gunmen climbed out and opened fire with automatic weapons. Navarro Rincón was killed instantly. Three other officers also died.

The killings, dubbed "Black Thursday" by the local press, were the first shootings of police officers in Aguascalientes by drug gangs. Until then, Aguascalientes had been a quiet place, immune to the violence that was raging in cities along the U.S.-Mexico border and elsewhere in the country. The firefight sparked a manhunt throughout the

state's rocky plateaus, involving some five dozen federal police patrol cars and a military helicopter. Later that day, with the gunmen and the drivers of the escape vehicles captured and in police custody, Aguascalientes State Attorney Xavier González Fisher tried to reassure the rattled public. He told the media that the burst of violence was an isolated incident. "Aguascalientes is quiet, is at peace...this does not happen every day." For a long time, his words might have served as an accurate description of the state of affairs in Aguascalientes. But the incident was a telltale mark that the bloody, corrosive nexus of drugs, crime, and corruption growing malignantly along the Mexico-U.S. border has metastasized to regions previously immune to this cancer.

### *Moving Northward*

In some respects, the Mexican problem is the result of Colombia's successful war on the Cali and Medellín drug cartels in the 1990s. Pablo Escobar Gaviria, the notorious leader of the Medellín Cartel, was gunned down by police commandos in 1993. Brothers Gilberto and Miguel Rodríguez Orejuela, who formed and ran the Cali Cartel, were captured in 1995, and later extradited to the United States to serve 30-year prison sentences. Although the Cali and Medellín

cartels continued to operate, the removal of their leaders weakened them and created an opening for Mexican organized crime groups, such as the Guadalajara Cartel led by Miguel “El Pardino” (“the Godfather”) Ángel Félix Gallardo and his successors, to seize control of the lucrative North American drug trade.

The Guadalajara Cartel and similar groups had traditionally moved the Colombian drugs north. Félix Gallardo cultivated friendships with politicians, businessmen, and journalists, as well as with other drug lords. Distributing power and spoils, he built a nationwide trafficking network whose members rarely resorted to violence. Under Félix Gallardo’s system, territories were carved out for local chieftains, and whenever another group needed access to his region, a tribute was paid. Though he was captured by the Mexican government in 1989, Félix Gallardo remained in charge, orchestrating meetings and dividing territory from prison. It was ultimately a failing effort. With the Guadalajara Cartel’s ring-leader locked up and the Colombians under attack, others started developing their own drug operations from scratch—covering transportation, warehousing, and, eventually, the sale of the product itself.

Barry R. McCaffrey, former director of the U.S. Office of National Drug Control Policy, testified before the Senate that the “Colombians paid the Mexican trafficking organizations \$1,500 to \$2,000 for each kilogram of cocaine smuggled to the United States.” But during the 1990s, as a more chaotic arrangement began to take shape, the Colombian and Mexican trafficking groups established a new deal allowing the Mexicans to receive a percentage of the cocaine in each shipment as payment for their transportation services. “This ‘payment-in-product’ agreement enabled Mexican organizations to become involved in the wholesale distribution of cocaine in the

United States,” McCaffrey observed. This also ended the Colombians’ monopoly and set the stage for the war that followed.

As the Mexican cartels expanded their control over the drug supply chain, revenues exploded. There are no precise historical figures describing the size of the business. But, by any account, there was an enormous amount of money to be made. In 2002, former U.S. Attorney General John Ashcroft described the size of the U.S. drug market, reporting that Americans spent \$62.9 billion on drugs in 2000. More than half (\$36.1 billion), was spent on cocaine—of which an estimated 90 percent transits through Mexico. In 2009, the U.S. National Drug Intelligence Center estimated that Mexican and Colombian drug trafficking organizations generated somewhere in the range of \$17 billion to \$38 billion annually in gross wholesale proceeds from drug sales in the United States. By comparison, Google’s worldwide revenue in 2009 was \$23.6 billion.

As earnings shot up, so did violence. Starting in the mid-1990s, drug gangs in Mexico grew more independent and began fighting for more control and larger territories. A decades-long war, which has claimed some 20,000 lives so far, broke out between Félix Gallardo’s lieutenant, Joaquín “El Chapo” (“Shorty”) Guzmán, currently Mexico’s most wanted person, and rival drug lords. Gone was Félix Gallardo’s divide-and-conquer approach, replaced by intimidation, brazen violence, and the executions of officials and anyone else who dared stand in the way. By 2004, the war had reached a simmer: the first mass graves started to appear in Mexico, and newspapers carried accounts of gruesome killings involving beheadings and acid. In the border town of Nuevo Laredo, more than 100 people were murdered from January to August, 2005.

President Vicente Fox had taken a relatively soft approach to combating the vio-



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Another one bites the dust.

lence, but all that changed when President Felipe Calderón took office on December 1, 2006. Within weeks, some 6,500 troops were dispatched to the state of Michoacán (along the country’s mid-Pacific coast) to curtail drug violence. It was of little avail. McCaffrey testified in 2009 that “squad-sized units of the police and [Mexican] army have been tortured, murdered, and their decapitated bodies publicly left on display.” Media accounts appeared describing instances where the police auctioned their loyalty to the highest bidder. Today, some 45,000 Mexican troops—about a quarter of the standing army—are engaged in a domestic war with drug cartels, which shows no signs of abating anytime soon.

### *Rise of the New Cartels*

Amid such seemingly indiscriminate violence, it’s critical to understand who is fighting whom, and to have a little history

of the major players today. The Mexican drug wars have seen the rise of two dominant cartels, which have elevated indiscriminate violence and coercion to levels previously unimaginable. The Sinaloa gang is the country’s largest cartel, based on the volume of drugs it moves. It grew out of the coastal state of Sinaloa, once known for its poppy fields and opium gum produced by Chinese immigrants. Now it is produced by hundreds of thousands of Mexican *campesinos*. The Sinaloa Cartel operates up Mexico’s Pacific coast and along the U.S. border—from Tijuana in the west, to Ciudad Juárez and Nuevo Laredo in the east. Since a different chief, or *capo* (the Mexican cartels have adopted the same terminology as their mafia counterparts), controls each territory, the Sinaloa Cartel has also become known as “The Federation.” But at the top of the chain sits Félix Gallardo’s former lieutenant, “El Chapo” Guzmán; *Forbes* magazine esti-

mates his wealth at \$1 billion. The U.S. government is offering a \$5 million reward for his capture.

The second group is the Gulf Cartel, founded in the 1970s in the northeastern border state of Tamaulipas, along the Gulf of Mexico. The Gulf Cartel grew dramatically during the chaos of the early 1990s, expanding its territory and moving from drug trafficking into direct sales, while engaging in a host of other nefarious rackets. The growth inevitably brought them into conflict with “El Chapo” Guzmán and the Sinaloa Cartel. But while the Sinaloa Cartel tried to maintain the veneer of a legitimate business enterprise, the Gulf Cartel bur-nished a bloody, violent image.

At its core was *Los Zetas*, originally a small group of deserters from the Mexican Special Forces, hired in 2000 by the Gulf Cartel’s former leader, Osiel Cárdenas Guillén, to serve as his bodyguards. But *Los Zetas* was not content to run merely security. Following the capture of Cárdenas Guillén in 2003 by Mexican authorities (sentenced to 25 years in prison by a U.S. federal court in February 2010), *Los Zetas* started to branch off from the cartel and began independently building capacity in the drug trade and violent crime in general, engaging in kidnapping, extortion, and killings.

In a short time, it had evolved into an armed group with some 1,200 members, both men and women, capable of deploying significant fighting forces across Mexico. A 2008 government raid on the Gulf Cartel seized a cache of anti-armor weapons, cluster grenades, anti-aircraft missiles, armored HUMVEES, and even chemical protective suits. *Los Zetas* has also developed ties with American and other foreign criminal and paramilitary groups. According to the U.S. Federal Bureau of Investigation, *Los Zetas* is now connected to U.S. gangs and has a presence in Dallas, Houston, and other American cities.

Today, it is not clear who runs the Gulf Cartel; but *Los Zetas* appears to play an important role. Though most experts seem to ascribe a unique decentralized structure to the cartel, in 2009, the U.S. Department of the Treasury’s Office of Foreign Assets Control named Cárdenas Guillén’s brother, Ezequiel “Tony Tormenta” Cárdenas Guillén, and Jorge Eduardo “El Coss” Costilla Sánchez as the nominal leaders.

Much of the current violence in Mexico can be attributed to a war raging between the Sinaloa Cartel and *Los Zetas*, among other smaller participants. The war erupted in 2003 over control of the city of Nuevo Laredo, the home of *Los Zetas* and the country’s largest inland port, just across the Rio Grande from Texas. It provoked a wave of violence that is still cresting today. As the war ticked up in intensity, powerful groups pacified by “El Chapo” Guzmán, such as the Tijuana and Juárez Cartels, re-emerged along the U.S.-Mexican border. The truce between the Sinaloa and Juárez was shattered when Rodolfo Carrillo Fuentes, a Juárez leader, was gunned down in the city of Culiacán, in Guzmán’s home state of Sinaloa in 2004.

Perhaps the most ominous rift was the departure of Arturo “El Barbas” Beltrán Leyva and his brothers, former allies of Guzmán, from under the Sinaloa umbrella. They allied themselves with *Los Zetas* with the idea of forming a new cartel. Matters escalated when Alfredo “El Mochomo” (“Red Ant”) Beltrán Leyva was arrested in 2008. The Beltrán Leyva family blamed the Sinaloa Cartel and reportedly ordered the killing of Guzmán’s 22-year old son, Édgar Guzmán López, in a Culiacán shopping mall. And the seemingly endless cycle of violence continues unabated. No one is keeping an official score, but according to the prominent Mexican newspaper *Reforma*, there were 6,587 drug-related murders in 2009 in Mexico, up from 5,207 in 2008 and

2,275 in 2007. During January and February 2010, there were more than 1,500 executions according to *Reforma*. At this pace, Mexico may end this year with 9,000 drug-related murders.

Indeed, the question lingers: just who is in charge across broad stretches of Mexico? On December 16, 2009, Mexican Navy special forces killed “El Barbas” Beltrán Leyva in a raid. Though apparently a big law enforcement success, the aftermath highlighted *Los Zetas*’ loyalty, brazenness, and brutality—and the difficulty of curtailing the ability of drug gangs

to wage this war. The Navy lost one man, Ensign Melquisedet Ángulo Córdova, in the raid on Beltrán Leyva. President Calderón hailed Ángulo Córdova as a hero and gave him a state funeral. But

hours after he was laid to rest, gunmen went to his grieving family’s home, killing his mother, two sisters, brother, and aunt as they slept. Only one sister survived the attack.

### *Takeover of a Town*

Until Black Thursday, Aguascalientes was immune to such violence. Nestled high on Mexico’s central rocky plateau some 300 miles north of Mexico City, the city and the state had remained a haven of relative stability and prosperity. As recently as 2004, the University of London published a study that ranked Aguascalientes “as one of the only few [Mexican] states that has a well-functioning judicial system.” An earlier survey ranked Aguascalientes first in terms of confidence in the judicial system, and indicated that it had the lowest levels of corruption in the country. Business flowed into the state. Aguascalientes’ skilled labor attracted some \$4.3 billion in foreign direct investment from companies like Nissan, Bosch, and

Texas Instruments. Its colonial heritage, baroque-inspired architecture, and prodigious hot springs made it a tourist magnet.

It did not last. Eventually, the drug gangs arrived in Aguascalientes, attracted by its tranquility and promise of a good place to hide. While most of the rest of the country was already staked out by warring drug gangs, Aguascalientes was still up for grabs. The local police were ill-prepared for what came next.

*Los Zetas* arrived in Aguascalientes and plunged the city into violence with alarm-

“Gunmen went to the home of the grieving family, killing the hero’s mother, two sisters, brother, and aunt as they slept.”

ing speed. By August 2007, six months after “Black Thursday,” 11 Aguascalientes police officers had been murdered. One of the victims was a deputy police chief who was shot, execution style, in the nearby town of Pabellón de Arteaga while he was eating in a restaurant. After the attack, Mexican media speculated that he was killed in reprisal for the drug-related arrests of seven suspected gunmen several weeks earlier.

In early 2008, a wave of kidnappings spread across the state targeting the children of prominent businessmen. By this time, *Los Zetas* had perfected the art. Kidnapping, especially in wealthy and relatively drug-free states, can be a more immediate source of liquid funds than trafficking in drugs. In May 2008, Nicolás Martínez Reyes, the son of a wine distributor, was kidnapped from El Pescador del Pargo, a busy seafood restaurant in downtown Aguascalientes where he was dining with a group of friends. Martínez Reyes was held for 35 days. His kidnappers tor-

tured him and cut off one of his fingers before his father agreed to pay the ransom.

The police and the public have tried to stand up to the gangs in Aguascalientes, but with little success. Take the example of Gerardo Medrano Ibarra, who ran a family-owned trucking business called Frio Express. Launched in 1980, the Medranos built a two-truck delivery shop into a large shipping business shuttling perishables like meat, strawberries, and prepackaged guacamole between Mexico City and Laredo, Texas, with a fleet of several dozen Freightliner and Volvo tractor trailers. Medrano's business boomed after the North American Free Trade Agreement came into force in 1994. His trucks moved quickly in and out of the United States because they were certified through the U.S. Customs and Trade Partnership Against Terrorism, a voluntary government-business program that pre-screens cargo for bombs and other contraband. In the spring of 2008, Medrano Ibarra received a distress call from one of his drivers traveling north. The driver said that he was attacked in the city of Guadalajara by an unknown assailant who cracked open the doors of the trailer, inserted a load of drugs, and instructed the driver to keep going to Laredo. Medrano Ibarra told the driver to unhook the trailer and turn back. He did so, abandoning the trailer and the drugs on the side of the road. Within days, Medrano Ibarra was receiving threatening telephone calls from a gang of drug traffickers thought to be *Los Zetas*. They made it clear that Medrano Ibarra would allow the future transit of narcotics to the United States in his trucks. He reported the calls to the police, but they were powerless to prevent what came next.

On July 2, 2008, as he was leaving his suburban home in his gray Volvo, Medrano Ibarra noticed that he was being followed by three SUVs. When he failed to lose his pursuers in the maze of city streets, he made a

U-turn over the median of the busy Avenida Miguel de la Madrid east of downtown Aguascalientes, jumped out of his moving car, and tried to flee on foot. Two gunmen opened fire. Medrano Ibarra was killed on the spot, just ten feet from a police post. No one came to his aid; the killers got away. Federal forces arrived on the scene an hour later. In August 2008, state authorities arrested six suspects, including two women, all members of *Los Zetas*, and charged them with the kidnapping of Martínez Reyes and the murder of Medrano Ibarra.

By early 2009, Aguascalientes had become a terrifying place to live. Awash in unsold drug inventory due to stepped-up enforcement along the U.S.-Mexican border, a local retail market has sprung up. Indeed, the city now has one of the highest rates of drug abuse among youth in all of Mexico. Home invasions and assaults by drug-addicts have skyrocketed.

Not surprisingly, the police find themselves regularly overpowered by the criminals, who have become increasingly brazen in bringing the fight to the state. In December 2009, some 40 gunmen opened fire with automatic weapons and threw grenades at a police station in San Francisco de los Romo, a small town ten miles north of Aguascalientes. The mayor was inside at the time, attending a security meeting. After a ten minute firefight, the attackers climbed into their SUVs and drove away, leaving two officers dead and three wounded.

### *Failing Fight, Fighting Failure*

With the police strained and outgunned, the crisis created an opening for a motley group of private security companies and armed bands that offer services not only to wealthy individuals and companies, but also to local governments and municipalities. In 2008, the municipal president of Aguascalientes hired the State Police Intelligence Corps (CIPOL) to help combat the

increasing violence. Founded in 2005 in the state of Chihuahua by one-time local politician and public security chief Raúl Grajeda Domínguez and Jesús Manuel García Salcido, the former head of Chihuahua's municipal police, CIPOL has a murky, quasi-governmental status. Despite its ties to the Chihuahua state government, CIPOL behaves like a private police force, even driving its own distinctive red-and-white patrol cruisers. When CIPOL arrived in Aguascalientes, García Salcido quickly was appointed by the mayor as the municipal chief of police. His tenure was short. In August 2009, he was arrested by agents from the federal attorney general's Office for the Specialized Investigation of Organized Crime (SIEDO) for supposed ties to drug cartels. Charges that CIPOL overcharged Aguascalientes for equipment, including the purchase of a helicopter, were also raised. His trial is pending.

While CIPOL operates in the open, other extra-judicial groups prefer to remain in the shadows. In May 2009, Mexico's *Milenio Diario* newspaper interviewed the leader of a secretive outfit called *El Grupo* ("The Group"), whose existence until then had never been confirmed. *El Grupo* was set up to hunt down and punish kidnapers who prey on the wealthy. In lieu of state protection, vigilante justice has an understandable appeal, but the hefty fees make this little more than a tool of the wealthy and powerful. The Mexican government avows no knowledge of the group, but the *Milenio Diario* interview disclosed that the entity was established 12 years ago and now has the ability to carry out investigations, capture suspects, and conduct interrogations.

Outside of Aguascalientes, ordinary Mexicans have tried peaceful tactics as a way of standing up to violence. In May

2009, an armed group kidnapped a 17-year-old Mormon youth, Erick Le Barón, in the town of Galeana in the state of Chihuahua, and demanded a \$1 million ransom. It was the eleventh kidnapping the Mormons had endured in just eight months. (The community, which numbers some 1,000 members, was perceived as relatively well off, which made it a target.) They decided to push

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back. Led by Erick's outspoken older brother, Benjamin, they marched to Galeana's central square and demanded that the state authorities find and free Erick. The Mormons were joined in their public protest by local Mennonites, another religious group that has suffered from extortion and violence. Together, several thousand people spent the night protesting on the square. They publicly declared that they would not pay the ransom. Erick was released several days later, without any money being paid. But such examples of public bravery are rare and their outcome far from certain. Two months later, Benjamin was taken from the home he shared with his wife and five children, along with his brother-in-law. They were both shot and killed.

### *Leading from the Top*

What is President Calderón to do? If Mexico's drug wars have their origins in Colombia, perhaps part of the solution might come from there as well. Though the Colombian government beheaded the Cali and Medellín cartels in the 1990s by arresting the Rodríguez Orejuela brothers and assassinating Escobar, the hydra simply

grew, spawning hundreds of smaller organizations, penetrating deeper into and corrupting more profoundly the Colombian government and bureaucracy.

The Cali cocaine cartel, for example, penetrated deep into the country's economy—taking ownership stakes in legitimate business, including the National Coffee Corporation and the professional soccer team, América de Cali. Troublesome legislators, law enforcement, and judges were bought off, threatened, or killed. Meanwhile, Colombia's guerilla and paramilitary groups—such as the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self Defense (AUC)—became the main suppliers of heroin and controlled the farming of coca, which provides the base material for cocaine production.

The way out of that nation's morass appeared in 2000, when the Colombian government implemented measures designed to isolate and cripple the influence of the guerillas and the cartels. It passed a draconian "disengagement" decree, which gave authorities the power to dismiss any police officer or soldier for alleged corruption without the need of legal proceedings. Over the next seven years, hundreds of persons in the police and the military were discharged over suspected links to criminal groups. The decree was rolled back in 2008 by Colombia's Constitutional Court, which ruled that all discretionary dismissals of military personnel must be substantiated. But, by then, the policy had already had its salutary effect, purging the armed forces of corrupt officials and implanting a culture of professionalism.

The government also centralized its police command, retrained the police and the military in anti-narcotics tactics, and increased their salaries—removing the temptation to take petty bribes. The extra funds for these initiatives came from a "peace premium," essentially a tax on businesses and

the wealthy to finance the fight against armed groups. Though controversial, the past two Colombian governments have supported this legislation. The results have been encouraging. In 2000, Colombia reported 3,000 kidnappings. By 2008, the number dropped to 600. Cases of extortion shrunk from 2,000 in 2004 to 830 in 2007.

Indeed, some of Calderón's recent initiatives are remarkably similar to Colombia's approach to stemming its rampant cartels. He has tasked Secretary of Public Security Genaro García Luna with implementing plans for a sweeping police reform. Luna, a stocky 41-year old with short cropped hair, introduced rigorous new standards for testing new police hires and screening officers already on the force, and carried out arrests of federal, state, and municipal officers. In June 2007, some 284 federal police officers were purged, but this was just the tip of the iceberg. The following year saw more high-profile arrests: Fernando Rivera Hernández, deputy director of intelligence at the attorney general's organized crime unit, SIEDO, and the acting federal police chief, Gerardo Garay Cadena. Both were accused of ties to drug gangs. The attorney general's office charged that Rivera Hernández received large cash bribes from the Beltrán Leyva cartel in exchange for tipping them off about upcoming federal drug raids.

According to a November 2009 account in the *Los Angeles Times*, Mexican cadets and veteran cops are now "forced to bare their credit card and bank accounts, submit to polygraph tests and even reveal their family members to screeners to prove they have no shady connections." A new piece of legislation, called the General Law of the National System of Public Security, proposed by Calderón and passed in January 2009, imposes a prison sentence of up to eight years for hiring police officers with dubious backgrounds and has created a National Register of Public Security Personnel. All the while,



the federal forces have grown, swelling by 30 percent, from 25,000 to 32,000 personnel, in one year. Luna is now reportedly pushing for the elimination of the country's 2,022 municipal police agencies, with the intention of folding them into the state police forces, which would (in theory) have greater oversight of training and tactics. The fact that this step is highly controversial and would likely require an amendment to the Mexican constitution shows how high the stakes are.

### *Help from Washington?*

Despite the proximity to the United States, the Obama administration has been providing only modest support to its southern neighbor. Mexico will largely have to make do with \$1.4 billion in funds over three years appropriated under the so-called Merida Initiative, a program launched by President George W. Bush aimed at buttressing border, maritime, and air control from the U.S. southern border to Panama. But some officials are concerned that this will not be nearly enough.

In October 2009, former drug czar McCaffrey told Congress that Merida, was “a drop in the bucket.” “The stakes in Mexico are enormous,” McCaffrey said. “We cannot afford to have a narco-state as our neighbor.... It is not inconceivable that the violent, warring collection of criminal drug cartels could overwhelm the institutions of the state and establish de facto control over broad regions of Mexico.... [The Mexican government] is not confronting dangerous criminality—it is fighting for survival against narco-terrorism.” Indeed, most of the Merida funds earmarked for Mexico have yet to find their way there. Instead, they have ended up funding American defense and security contractors—who

have refused to disclose how they are being used in the drug interdiction program.

In the end, as in most democracies, it falls to the public to call for change. And the Mexican electorate, caught in the crossfire and terrorized by the rising tide of violence, is now openly challenging Calderón to fix the problem. In one week this February, the president twice traveled to Ciudad Juárez, after gunmen sealed off a street in this city on the U.S.-Mexico border and opened fire on a house where high school students were having a party. Fifteen people were killed, and at least a dozen wounded. Ciudad Juárez's mayor, José Reyes Ferris, told the press that police officers could ascertain no motive for the crime; that the

“Calderón's recent initiatives take a lot from Colombia's approach to stemming its rampant cartels.”

victims were innocent civilians, and the gunmen may have been acting on mistaken information.

This was too much even for Ciudad Juarez, where the murder rate has been reported at 165 deaths per 100,000 residents—nearly four times higher than in Baghdad. Angry crowds spilled out onto the streets and lashed out at the president. “I told them that I understood perfectly the discomfort, irritation, and incomprehension,” Calderón said later. “I promised the parents...to give a new meaning to this fight, to join together the different levels of government, law enforcement, civil society ...to face this challenge we have yet to overcome.” Just what the nature of this action—or indeed how effective it will be—remains to be seen. But the Mexican people are losing their patience. ●