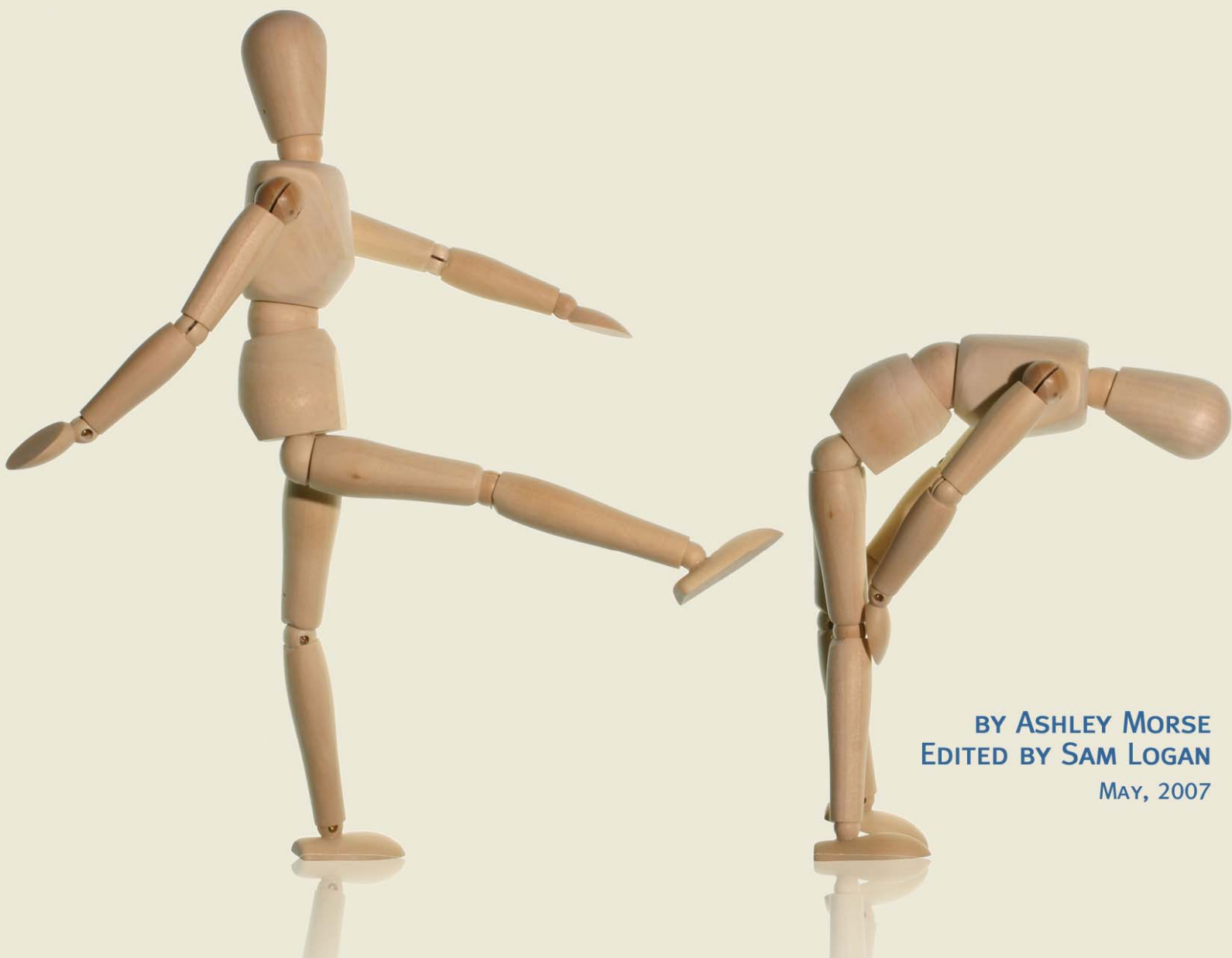


# CALDERON'S PLAN FOR MEXICO

## AND THE EVOLUTION OF MEXICAN ORGANIZED CRIME



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EDITED BY SAM LOGAN  
MAY, 2007

## **Forward**

“Plan Mexico” is a term circulated behind closed doors in Mexico City and Washington. Both the Bush and Calderón administrations will admit closer cooperation between the two countries is necessary to defeat the undeniable power of Mexican organized crime, a power that is in large part fuelled by US drug demand.

Military cooperation between the two countries is out of the question. Yet Calderón has not hesitated to use the Mexican military to combat organized crime in specific areas where organized crime operations have become so numerous and brazen that decapitated bodies and the tortured remains of policemen and others seem like a daily discovery. So far, this strong-arm policy has done little to control organized crime. It has, however, boosted Calderón’s popularity inside Mexico – an important first step considering his thin mandate coming out of the July 2006 elections.

When Calderón met with Bush in November 2006, he broached the topic of increased US assistance. When Bush met with Calderón in March 2007, a pledge for cooperation was sealed with a signed agreement. Bush’s lamentable record for keeping promises in Mexico, however, is second only to Calderón’s predecessor, Vicente Fox.

Many observers are quick and repetitive to point out a widely-held notion that the US spends too much political capital on the Iraq War. It is a reality that Bush’s critics across the Americas are all too happy to argue. Washington’s absence in the Americas threatens to tarnish the Bush administration’s legacy and how he is remembered in the region, but perhaps no where more so than in Mexico City.

Plan Mexico is a policy idea that was initially introduced by CISEN, the Mexican intelligence agency. Would it ever reach the financial size of Plan Colombia? Would there be a military component? Critics point out high levels of corruption in Mexico precludes a broad scope of activities. We’re forced to ask: Was corruption in Colombia in the late 1990s any different? There are still many more questions than answers.

In this report, Ashley Morse and I have presented an overview of Calderón’s recent push to take the fight to Mexican organized crime. We touch on a range of issues, including the US’ position and Mexican connections with Colombia. Careful consideration has also been placed on Calderón’s use of extradition and how deconstructing one drug trafficking organization, namely the Gulf Cartel, may create a vacuum for the Sinaloa Federation to fill.

It is not our intent to make strong predictions, but given the information we’ve sourced, it is clear that violence in Mexico will get worse before security improves. The level of US involvement, as of May 2007, remains a topic of casual discussion and off the record interviews. We look forward to the possibility of closer cooperation between the two countries but are not hopeful that it will make the agenda before the end of the Bush administration or Calderón’s six-year term in office.

**- Sam Logan, Rio de Janeiro, 25 May 2007**

## **A Thin Mandate**

Mexican President Felipe Calderón slid into office after a fierce July 2006 electoral battle with less than a percentage point lead over his left-wing rival Andres Manuel Lopez Obrador, and he has kept his young administration busy since its inauguration. Running on a platform of law and order, Calderón has focused his attention on fighting organized crime in Mexico and rooting out corruption.

President Calderón has sent over 20,000 federal troops to at least six states in an effort to bring down Mexican drug smuggling organizations. The operations have brought quick and visible results. Calderón's administration boasts the capture of many head figures in Mexican organized crime, and only a month into his administration he began extraditing top drug lords to the United States – an unprecedented move.

Already images of success flood the media: soldiers bearing rifles uprooting marijuana plants, military vigilance points on highways searching vehicles, even Calderón himself donning military fatigues while visiting troops. However, while gaining some visible results, many critics allege the operations are a publicity gambit meant to legitimize his weak mandate and rally popular support for the Calderón administration. Although the goal is to quell the violence plaguing the country and eliminate organized crime, in most cases it seems that Calderón's efforts are provoking increased and extreme violence from the cartels – warning the young administration that they will not go down without a fight. In some cases, the military is itself becoming a target.

Like placing a Band-Aid on a deep wound, it remains to be seen whether Calderón's strategy can effectively eliminate the powers of organized crime factions and eradicate corruption.

## **Crackdown on Organized Crime**

President Calderón said upon his inauguration on 1 December 2006 that within 90 days his administration would come up with a coherent plan to combat organized crime and clean up a corrupt police force whose officers often work in league with felons.<sup>1</sup> Well past his goal of 90 days Calderón has still not announced a sweeping viable plan.

On 4 May Mexico's Chamber of Deputies publicly criticized the Calderón administration's strategy to fight organized crime, claiming the policy may be the cause of increased violence in the country. The Permanent Commission urged Calderón to reconsider his decision to involve the military without a comprehensive plan.<sup>2</sup>

Rather than forming a viable plan, Calderón has instead been cutting a path of sensationalist actions against organized crime with no obvious sustainable policy in sight, Calderón has succeeded mostly in attacking pockets of organized crime, often averting the violence to new locations throughout Mexico.

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<sup>1</sup> "Mexico's Calderón vows to escalate war on crime," Reuters, 01 December 2006.

<sup>2</sup> " Mexico Deps Call Calderón on Crime," Prensa Latina, 04 May 2007.

Calderón has boasted success of his initial attempts to eradicate organized crime and drug trafficking operations from Mexico, particularly in his home state of Michoacán. In an interview with the Financial Times, Calderón said, "we have received very encouraging results. In the state of Michoacán, for example, the murder rate has fallen almost 40 percent compared with the average over the last six months."<sup>3</sup> However as the military flex spreads to other states organized crime factions are finding new homes. Squeezing them from their traditional strongholds, these groups are springing up in new areas – many of them previously free of violence.

Following the path of least resistance, criminal activity has even popped up in Aguascalientes. Aguascalientes is a very small state about 250 miles northwest of Mexico City, its capital, also Aguascalientes, was once considered by the Drug Enforcement Administration (DEA) to be one of the top five safest cities in Mexico. But since mid February it has become a small pocket for organized crime related violence.

Four police officers were fatally shot in Aguascalientes on 15 February. The officers were responding to the scene of a car accident, which involved a black truck with a Jalisco license plate. When they arrived on the scene they found the truck had been shot numerous times – presumably causing the accident. Moments after their arrival ten assailants, who had been caught off guard by the police presence as they transferred weapons from the wrecked vehicle, opened fire on the officers

Police suspect a possible link between the killing of the officers and the 20 February discovery of the remains of a 42-year-old man who had apparently been beaten to death. The body was found with a note which attributed the killing to the victim's betrayal of the La Familia trafficking organization.<sup>4</sup>

Finally on 22 February Mexican Federal Police discovered the bodies of suspected victims of organized crime violence on a ranch in Aguascalientes states. The ranch, "El Chancho," had been rented as a safe-house for the fifteen days prior to the discovery of the bodies – most likely by an organized crime group or drug trafficking cartel. Police seized two vehicles, radios and arms during their search of the ranch.<sup>5</sup>

The new crime in Aguascalientes can most easily be attributed to the spillover of organized crime groups into the state, as more high profile states both to the north and south of Aguascalientes have been proliferated by federal forces.

A top tourist destination, Acapulco, which in the past has mostly struggled with petty theft, has recently seen a drastic increase in organized crime related violence. The violence has increased as the Sinaloa Federation and the Gulf cartel battle for control of lucrative routes between Colombia and US-Mexico border crossings, often focusing the fight at increasingly important Pacific coast reception points such as Acapulco.

In early February, just days after Calderón dispatched federal forces to stabilize the city two Canadian tourists were shot in cross-fire between organized crime groups. The incident took place in front of the lobby of the Casa Inn Hotel, a popular spot on the main tourist strip in the city where the two were staying.

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<sup>3</sup> Thomson, A., "Interview transcript: Felipe Calderón," Financial Times, 23 January 2007.

<sup>4</sup> For more information on "La Familia", see: Logan, Sam, "The Scourge of Ice in Michoacán," International Security Network, 7 December 2006.

<sup>5</sup> "Mexico's Newest Criminal Refuge," Stratfor, 22 February 2007.

In some cases the rejuvenated fight against organized crime has provoked violent reactions in retaliation. In Acapulco on 6 February 2007 just days after federal forces arrived to stabilize the city, gunmen disguised as soldiers invaded two local police stations. During the invasions, which were simultaneously carried out, the gunmen reportedly demanded that officers turn in their guns before killing five officers and two secretaries. The incidents were videotaped by the assailants and were an obvious warning to officials.

In response to the deployment of 100 federal agents early in 2006, both in April and July organized crime groups placed severed heads of law enforcement agents outside an Acapulco municipal building warning government agencies that their efforts would not be tolerated.

Crime has increased as well in the state of Durango. On 21 April, Sergio Muñoz, commander of UCCO, the Durango state anti-organized crime unit, was abducted and later killed in a suspenseful high speed chase that spanned two Mexican states.

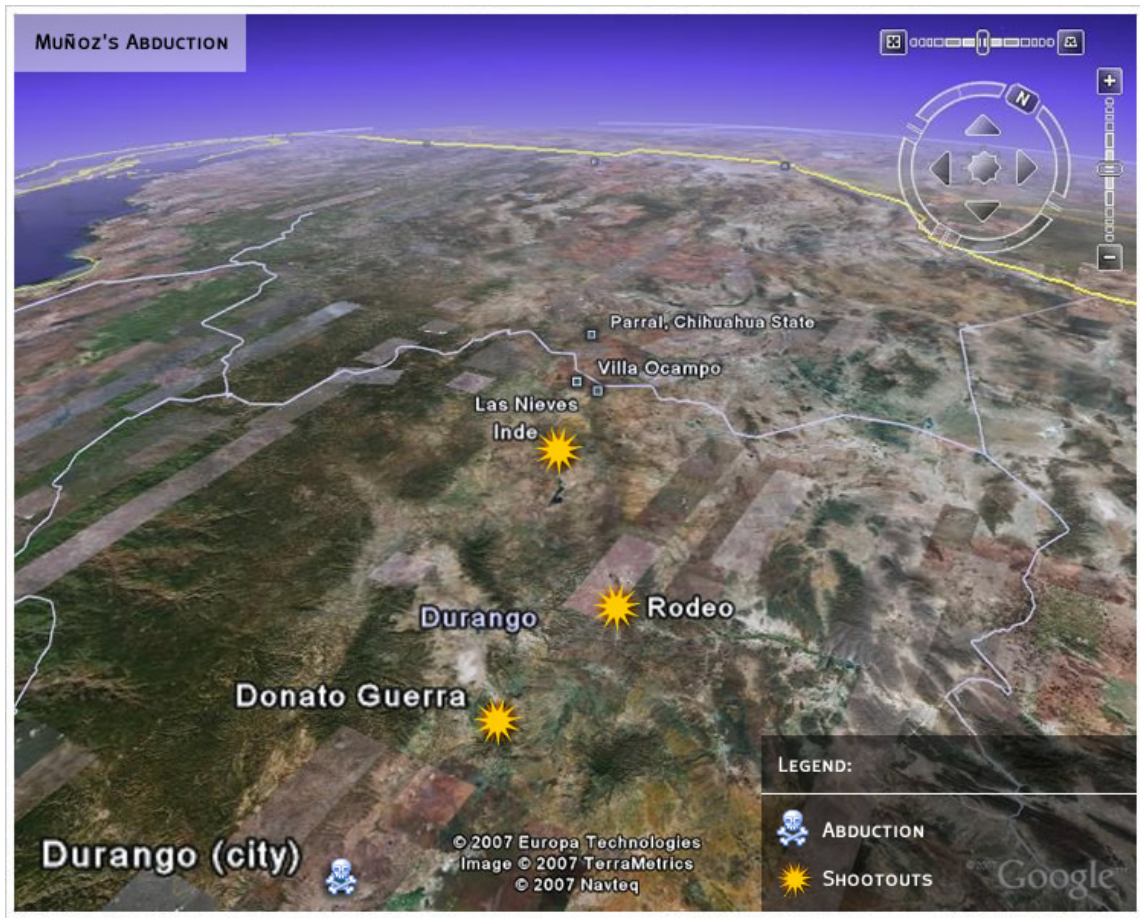
Sergio Muñoz was abducted by at least twelve heavily armed individuals riding in two pickup trucks that cut off his car as he left his home in the city of Durango. Authorities, along with personnel from the Attorney General's Office and the military responded to the incident searching both by air and land.

The kidnappers were located by authorities as they tried to flee Durango on the highway to Chihuahua. The perpetrators were intercepted at a roadblock by authorities in the town of Donato Geurra, about 50 miles north of Durango. In the first initial shootout with the kidnappers two officers were killed and another was seriously injured, while the suspects escaped resuming the high speed chase. Reaching the town of Rodeo, another shootout ensued injuring yet another officer. Escaping for a third time, the kidnappers made it to the outskirts of the cities of Indé and Villa Ocampo approximately 250 miles from Durango. In the third and final face off with authorities, the kidnappers dumped Muñoz's dead body on the road. Three of the suspects were killed by officers in the final shootout.

The chase ended in a logistical blunder when authorities lost radio contact with both helicopters that were providing air support to the ground officers chasing the suspects in Chihuahua. According to Durango Attorney General's Office spokesman Ruben López "The terrain is rugged there, the signal did not get through and we lost communications."<sup>6</sup> Some of the suspects reportedly escaped on foot, while others continued north in a black Suburban to the town of Las Nieves, where two small airplanes were waiting to take them to an old airfield in Parral, a border town in the state of Chihuahua.

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<sup>6</sup> "Top cop kidnapped, then killed," El Universal, 23 April 2007.



April was marked as a particularly bloody month in Mexico's battle against organized crime.

Muñoz was at least the second state police official to be killed in the month of April. Guerrero state Police Chief Ernest Gutierrez Moreno was shot to death by four gunmen with assault rifles while eating dinner in a Chilpancingo restaurant with his wife and son.<sup>7</sup>

On 27 April three Mexican army-issue grenades were detonated in Gómez Palacio, a city in the state of Durango. One explosion occurred outside the municipal Public Security Office and the other two were detonated outside the Attorney General's office. The explosions killed one police officer and injured four others when unidentified individuals on motorcycles and in small trucks threw the grenades at the offices and also fired machine guns at the Attorney General's office.

Army troops found the remains of two unidentified people in a ditch in the western city of Jiquilpan in Michoacán state on 21 April. According to judicial officials, one of the bodies was wrapped in a blanket, while only the bones remained of the second individual, suggesting that the victims had been dumped at different times. Two

<sup>7</sup> "Mexico's Security Woes: A Brazen Attack and High-Speed Chase," Stratfor, 23 April 2007.

bodies were found on 22 April in Sinaloa, both had been shot to death. On the same day in Sonora, two men were assassinated, one of the a local police sergeant.<sup>8</sup>

Apatzingan, in Calderón's home state of Michoacán, is another place which has only recently become riddled with drug trafficking violence. Known as an usually affluent farming town, it has become known as a crossroad of drug-smuggling routes. On 7 May over 300 soldiers and police spread out across a neighborhood and attacked gunmen hiding out in a home. Storming the house, soldiers lobbed grenades while others, some manning machine guns mounted on Humvee army vehicles, unleashed heavy gunfire. The attack which lasted almost two hours resulted in four deaths and three arrests; three soldiers were injured. The operation was carried out in response to a previous incident in which masked cartel members killed five soldiers in a shootout in the region last week.

Although the military offensive sent neighborhood residents fleeing in terror, Michoacán Governor Cardena Batel said in an interview with *Excelsior* that the Mexican army is the only force able to fight drug trafficking in Mexico in reference to the 07 May shootout.

In recent news, it seems the cartels are becoming bolder in their response to Calderón's offensive – now targeting the Mexican military. In the town of Villahermosa in Tabasco state suspected drug cartel enforcers killed two state police officers on 11 May. The attack followed a 9 May assassination of a Mexican sailor, who was gunned down in the Pacific resort town Ixtapa. The sailor, the bodyguard of a navy commander, died after suspected cartel members attacked a vehicle carrying several Mexican navy personnel. Historically the military have been exempt from cartel violence, however that dynamic seems to be changing as the cartels are learning to infiltrate the military finding allies to bribe and enemies to eliminate in the process.<sup>9</sup>

Organized crime groups have obviously not been deterred by Calderón's offensive against them, in many, if not most cases it has seemed to provoke more violence. Despite warnings from the organized crime groups Calderón has heavily emphasized his hardball policy in Mexico. The Mexican daily *El Universal* spoke with Jorge Chabat, a drugs expert at Mexico City's Center for Economic Research and Teaching, who said actions thus far seek "to establish a minimum of order. He's sending a message that someone is in charge."

In the 2007 New Year message Calderón said "The operations will allow us to re-establish the minimal security conditions in different points of Mexico so we can recover little by little our streets, our parks and our schools."<sup>10</sup> However his formula may be faulty.

This year the number of police fatalities due to organized crime or drug related violence has increased fifty-one percent. Already in 2007 there have been at least 61 deaths of officers, most were shot multiple times with high caliber weapons and many showed signs of torture.<sup>11</sup>

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<sup>8</sup> "Top cop kidnapped, then killed," *El Universal*, 23 April 2007.

<sup>9</sup> "Mexican Drug Cartels: Targeting the Military," *Stratfor*, 11 May 2007.

<sup>10</sup> "Mafia violence continues to spin out of control," *El Universal*, 05 March 2007.

<sup>11</sup> Hernandez, V., "Police deaths in Mexico jump 50%," *BBC News*, 21 March 2007.

According to a tally kept by the Mexico City newspaper El Universal, along with other media reports, the number of drug-related killings had reached 720 by 23 April 2007.<sup>12</sup> As of the publication of this report, in late May, that number has surpassed 1,000. At this rate, 2007 promises to be a bloodier year than 2006 which recorded an astonishing 2,000 deaths related to organized crime.

Calderón's predecessor, Vicente Fox, similarly promised the "mother of all battles" against organized crime when he used the military to try to establish permanent control in areas run by cartels. The Fox administration sent in thousands of soldiers and federal police to some towns overrun by organized crime and arrested several big name leaders. These efforts were similarly applauded by the United States and received positive public attention.

Nonetheless, the arrests appeared to provoke more violence as groups battled to take over the smuggling routes of those killed or arrested. In June 2005, Fox sent the army into Nuevo Laredo in Tamaulipas state and to Acapulco in Guerrero state in early 2006. Although the military successfully took over the corrupt police department, the cartels were able to resume their operations in a short time. Fox was simply not prepared to deal with the retaliations and violence.<sup>13</sup>

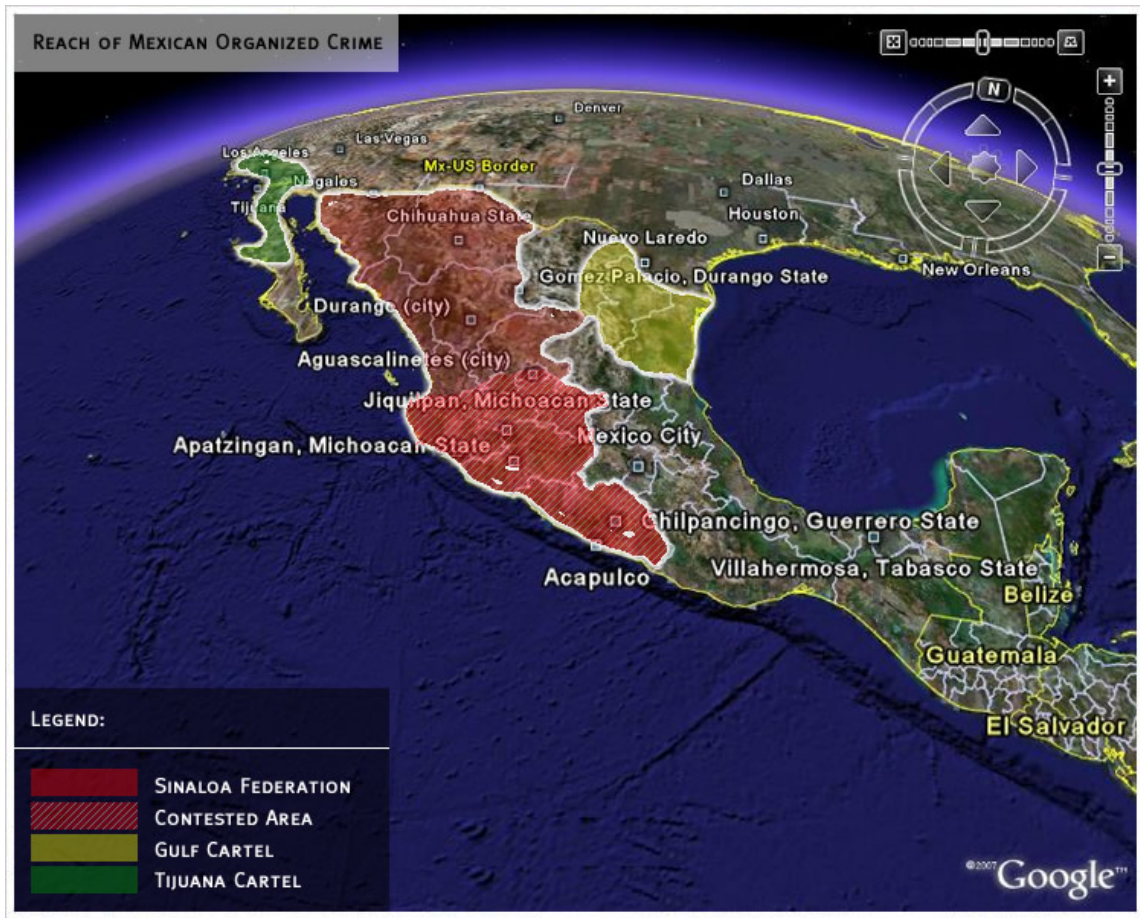
Just as Fox experienced, Calderón has and will continue to experience increased violence as a result of his crackdown on organized crime. Each criminal faction, sensing the weakness of another, will unleash violence to try to gain control of what may be perceived as lost territory when leaders of rival cartels are apprehended. As long as numerous organized crime groups wage battle in a bid to control smuggling routes and more turf, federal busts will create power vacuums to be filled.

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<sup>12</sup>"Top cop kidnapped, then killed," El Universal, 23 April 2007.

<sup>13</sup>"Mexico's Anti-Cartel Operation: A Small Stone in a Big River," Stratfor, 13 December 2006.





Reminiscent of eradication measures performed in coca growing regions in South America, Calderón has also deployed military forces to destroy drug cultivation fields.

In Sinaloa, operations that only seek to destroy marijuana and poppy crops are being greatly criticized for the violence and high death rates that result.

Execution-style deaths haven't ceased since the installment of the federal operation "Sierra Madre" on 14 January. Operation Sierra Madre, focused in the Sierra Madre mountain region which includes parts of the states of Chihuahua, Durango and Sinaloa, sought to destroy drug cultivation fields in the region. Over 9,000 personnel from the Army and the federal police were dispatched to carry out the operation.

According to an official government website, Operation Sierra Madre boasted hefty blows to drug trafficking operations – 442 surveillance flights were carried out in which 6,669 marijuana plants and 617 poppy plants were located. Troops also attacked cultivation fields where 13,695 marijuana plants, 3,408 poppy plants were destroyed as well as two clandestine processing labs. Seizures included 196 tons of marijuana; 340 kilos of packaged marijuana; 1,261 kilos of marijuana seeds; 102 kilos of poppy seeds; and assorted weaponry. Sixty presumed drug traffickers were taken into custody during the operation.<sup>14</sup>

<sup>14</sup> México – Presidencia de la República | Sala de Prensa

Despite the boasted destruction of cultivation sites and seizures, the expansion of operation Sierra Madre has brought on more violence – most of it directed at civilians. According to a report by the Mexican daily *El Universal* as of 21 March at least 120 homicides occurred, including two members of the Army and one police commander.

Nine women have become victims. The high homicide rate can be attributed to the destruction of the cultivation fields, which, for the past four decades have been controlled and violently defended by drug cartel groups. These groups will not relinquish their territories to federal destruction without putting up a fight.<sup>15</sup>

Adding to the argument that Calderón is focused on sensationalist acts meant to attract popular support, actions such as these underscore the enormity of the problem Mexico faces. Military troops may effectively burn down fields of marijuana, but the organized crime groups flush with money are also supported by methamphetamine labs, extortion schemes and perhaps most importantly a nearly constant flow of drugs transshipped vis-à-vis close working relationships with South American drug trafficking organizations.

### **Extradition**

On 19 January, shortly after assuming office, Felipe Calderón announced the extradition of 15 top criminals wanted in the United States. Osiel Cárdenas, the alleged Gulf cartel leader who was believed to be running his organization from prison in Mexico was one of the biggest names among the fifteen who were sent to the United States.

Calderón's move to extradite these wanted criminals was unprecedented in Mexican history. Mexico has always been hesitant to extradite criminals to the United States, citing opposition to the death penalty and life sentences often given to serious criminals in the US. Calderón, seeking to prove his commitment to his platform of law and order, made a huge statement by using extradition as a new weapon against organized crime, a legal tool predecessors have been reticent to use.

The extraditions, however, come with complications. To begin, in removing heads of organizations and handing them over to the United States, where they will arguably not be able to run their organizations from prison, Calderón is creating power vacuums in the realm of Mexican organized crime – vacuums that will be filled. Thus far, the Gulf cartel has been the hardest hit organization and in the short run the sacks against them will benefit the Sinaloa Federation. Considering the long history of turf wars between the two organizations, dismantling the Gulf cartel, and implicitly giving more turf to Sinaloa, could serve to quell the extreme violence.

A further complication exists in the process of extradition itself. In most recent news, an investigation by the The McClatchy Co. News Services revealed that the United States blundered a chance in January to take into custody of one of Mexico's most notorious criminals Alberto Benjamin Arellano-Felix because U.S. officials hadn't filed a timely extradition request with Mexico.

Benjamin Arellano-Felix has been wanted by the U.S. government for at least 15 years. Federal grand juries have returned sealed indictments on seven occasions. In

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<sup>15</sup> Cabrera Martinez, J., "Operativo en Sinaloa, sólo para abatir cultivos, critican," *El Universal*, 21 March 2007.

the most recent indictment a grand jury in San Diego returned a 28-count indictment which implicated Benjamin to drug smuggling and money laundering in December 2003 and to at least 20 murders in the U.S. The missed opportunity to extradite Benjamin Arellano-Felix revealed the bureaucratic complications of the extradition process.

Eye brows were raised when Benjamin Arellano-Felix's name did not make the list for extradition with the 15 criminals in January. During a 22 January news conference on the extraditions, U.S. Department of Justice officials reportedly avoided answering questions concerning Benjamin Arellano-Felix, later insinuating that Mexico's legal system was at fault, when in fact, the U.S. legal system was to blame.

According to Bryan Sierra, a spokesman for the Justice Department, four years after Benjamin's arrest, in May of last year, the U.S. Attorney's Office in San Diego sent case documents to Washington seeking Benjamin's extradition. The Justice Department took about five months to translate 27 boxes full of court documents into Spanish, costing the department in excess of \$100,000 according to Sierra. After the translation was complete the documents were sent to the U.S. Embassy in Mexico in October. Another four months passed before the U.S. Embassy presented the extradition request to Mexico – after Calderón had already extradited the group of 15.<sup>16</sup>

If it is the intention of the United States and Mexico for extradition to serve as a serious tool to undermine organized crime, the Benjamin Arellano-Felix case is exemplar, underscoring a need to streamline and improve the extradition process.

### **Corruption and Structural Challenges**

Many critics will agree the greater battle in store for Calderón will not be the visible war against organized crime, but the overhaul and cleanup of the pervading multi-level institutional and societal corruption. According to the Mexico evaluation for the 2006 Global Integrity Report, the lowest rankings were given to judicial accountability, law enforcement, and rule of law.

In an interview with the *Christian Science Monitor* Jorge Chabat asserted "He is making decisions. But if you don't make reforms at all levels at the same time, it won't work. You can be very efficient capturing one criminal, and then he goes free because some judge was given some money. Or maybe you can capture the criminal, the judiciary works well, and then a drug lord escapes from a high security prison."<sup>17</sup>

Many believe that part of the problem with enforcement lies in the corruption within local police departments. Calderón has ordered numerous invasions of local police departments.

In Tijuana the 2,300-person local police department was forced to relinquish their weapons when the military moved in to patrol the streets and set up check points.<sup>18</sup>

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<sup>16</sup> Hall, Kevin G. and Marisa Taylor, "Delay stalls extradition of top Mexican drug lord," *Miami Herald*, 8 May 2007.

<sup>17</sup> Llana, S., " With Calderón in, a new war on Mexico's mighty drug cartels," *The Christian Science Monitor*, 22 January 2007.

<sup>18</sup> *Ibid.*

They confiscated the local force's weapons during investigations into allegations that some local officers had been involved in drug smuggling. Many of the local officers refused to go on patrol without their weapons, while others carried plastic slingshots and marbles to protect themselves.<sup>19</sup>

Proving his ability and resolution to fight corruption within the government structure, in his first week in office Calderón ordered the military to infiltrate the attorney general's office in Oaxaca state.

Current strategy using federal agencies to overtake and cleanup local agencies is based on an assumption that the military and government as institutions will remain loyal and resist corruption in a way that local law enforcement agents have proven unable to do in recent history. However, cartels in the past have been able to pay off military commanders or local officials to tip them off about impending raids or other operations.

Apart from dispatching military troops Calderón has some loftier goals in mind to combat corruption. According to Ana Maria Salazar, a national security expert in Mexico City who spoke with the *Christian Science Monitor* on the matter, Calderón has floated a reform to unite police forces under one federal unit. She also added that giving police more responsibility in exercising investigative power is being discussed.<sup>20</sup>

John Ackerman, a legal expert at the National Autonomous University of Mexico, says Calderón has voiced support for an overhaul to the legal and penal systems, which would entail reforming legal codes and stiffening criminal sentences. It would also seek to make all trials oral. Currently the majority of trials are written, which facilitates secrecy and vulnerability for corruption.<sup>21</sup> Steps would be also taken to protect witnesses and victims who testify in trials.

Calderón also has talked of creating a single national police force and a DEA-style anti-drug unit to replace current forces.<sup>22</sup>

### **Effects on cartels**

Many leading experts believe the quickest effect of Calderón's crackdown on organized crime is the so-called "cockroach" effect, as it is referred to by local media in Mexico. The cockroach effect describes how criminals will move themselves and their operations to other, less obvious areas after authorities move into a certain region and seal it.

Such effect is evidenced in the cases of organized crime popping up in areas previously unaffected such as Aguascalientes and Acapulco.

When security forces arrived in Michoacán, governors of neighboring states expressed concern about the negative side effects that the operation could divert to their areas and had to react accordingly. The states of Jalisco, Colima and Guerrero

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<sup>19</sup> "Tijuana police get weapons back," BBC News, 28 January 2007.

<sup>20</sup> Llana, S., "With Calderón in, a new war on Mexico's mighty drug cartels," *The Christian Science Monitor*, 22 January 2007.

<sup>21</sup> Ibid.

<sup>22</sup> "Mafia violence continues to spin out of control," *El Universal*, 05 March 2007.

are securing their interstate borders with checkpoints on the main highways connecting them to Michoacán.<sup>23</sup>

Retaliatory violence can also be observed. The different criminal factions may have to scramble and relocate, but have clearly resisted all attempts at violent removal.

In the state of Tabasco, organized crime related violence has increased along with measures to repress organized crime. Retired Gen. Francisco Fernandez became the state's police chief on 1 January 2007. He came into office with an impressive personal record in anti-drug operations in the states of Chihuahua, Durango and Sinaloa and quickly undertook the battle against drug traffickers in Tabasco upon assuming office.

Just two months into his term gunmen opened fire on his vehicle as he left a Villahermosa hotel. The Suburban took more than 150 rounds, killing the chauffer.

On 15 March, a severed head was discovered in the parking lot of the Tabasco state security offices in Villahermosa; hours later, a headless body of an alleged police informant was found just across the state's southern borderline with Chiapas.

Journalists are also targets of threatening notes and phone calls. A reporter for the newspaper *Tabasco Hoy* disappeared on 20 January 2007 after naming alleged local drug traffickers in an article.

Increased activity and violence by organized crime in Tabasco is likely the result of pressure being placed on the Gulf cartel in other parts of Mexico. The Gulf cartel and its enforcement group, Los Zetas, operate on Mexico's Gulf Coast. Both the Gulf cartel and Sinaloa Federation use Michoacán and Guerrero as transit points to receive drug shipments from South America. Due to recent federal anti-drug efforts in these states, it is possible that the Gulf cartel has moved its operations into Tabasco to receive imports.<sup>24</sup>

Crackdowns against the cartels as previously discussed spark retaliation and more violence and in some cases have emboldened the organized crime groups to resort to extreme acts of violence to make their point known. In a most gruesome incident, gunmen in September 2006 stormed a nightclub and hurled five heads onto the main dance floor in a nightclub in Uruapan, Michoacán.

Aside from increased violence, there are other, less obvious effects on the organized crime groups. Calderón's nabbing and extradition of big name suspects may prove to be only minimal damage to the vitality of organized crime groups.

Working with corrupt officials, crime groups may be able to manipulate officials and chose which leaders will be picked off from rival cartels while saving their own groups. Officials may not perform sweeping measures against all cartels, leaving only the most organized and influential cartels intact.

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<sup>23</sup> Becerra, O., "Fighting back - Mexico declares war on drug cartels," Jane's Information Group, 13 March 2007.

<sup>24</sup> "Mexico: The Cartel Responds to Calderón," Stratfor, 21 March 2007.

The Gulf Cartel itself seems to be the most hard hit in federal operations against organized crime and drug trafficking in Mexico. Some leading experts and the Gulf Cartel itself argue that Calderón's focus on the Gulf Cartel evidences that parts of the Calderón administration work with the Sinaloa Federation. Whether or not this argument is true, the focus on the Gulf Cartel could have some serious consequences in terms of helping the Sinaloa Federation.

Countering such claims, however, are the results of Operación Conjunta Michoacán (OCM). Launched by Calderón in December 2006, this operation netted midlevel arrests in both the Gulf cartel and Sinaloa Federation.

Among those apprehended was Elias Valencia, of the Valencia cartel, which is part of the Sinaloa Federation, who was caught 15 December along with four partners at a mountain ranch near Aguililla. Two alleged assassins working for the Valencia cartel, Leonel Lopez Guizar and Rosalio Mendoza Gonzalez, were also arrested. Alleged Sinaloa Federation lieutenant Jesus Raul Beltran, who served under top cartel leader Ignacio Coronel Villarreal, was arrested 16 December in Guadalajara.

Alfonso Barajas Figueroa, aka "Ugly Poncho," was captured 16 December in the town of Apatzingan, where he commanded a unit of approximately 35 Zetas. Although his arrest was considered high profile, he was not part of the Gulf cartel or Zeta national command structure.

While president Calderón may have boasted about the OCM arrests, strategically they were not of monumental importance to the cartels. Corrupt officials might nab midlevel members - which may be handpicked by the groups themselves - to serve as distractions or sacrifice arrests so that the cartel may continue to operate. The arrests can also be seen as housecleaning for organized crime groups to remove overly ambitious or suspicious members.<sup>25</sup>

Most of the organized crime groups also have a structure that is designed to withstand arrests. Many are compartmentalized, so that even if one faction of the cartel crumbles, the rest will continue. The Sinaloa Federation is a clear example of this structure. Made up of numerous groups that operate under an umbrella structure, it would be hard for law enforcement to bring down all of Sinaloa's operatives with only a few high profile arrests.

The command structure of groups is also often distributed horizontally – many times based on loyalty within a single family – making it hard to remove the highest leadership. This structure also facilitates the replacement of head figures with little fighting within the group.

A final problematic aspect of arresting top members is that it may not affect the leader's ability to continue leading the group. Osiel Cardenas of the Gulf cartel and Benjamin Arellano Felix of the Tijuana cartel were both able to effectively run their operations from the safe haven of a Mexican prison.

Many critics openly allege that Calderón is playing up his actions against organized crime. In an interview with the *Los Angeles Times* Jose Arturo Yaez, a researcher at the Professional Police Training Institute in Mexico City, said "these operations are

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<sup>25</sup> "Mexico: Illusory Victories in Michoacán," Stratfor, 19 December 2006.

not designed to directly confront the organized crime groups. They are designed to have an effect in the media, so that the federal government can be seen in action."<sup>26</sup>

While Calderón's fight against organized crime may be a publicity gambit, the media attention could prove a valuable weapon against criminals. In the past, cartel leaders have recognized that extreme violence attracts international attention, which can hurt business. Former drug kingpin Amado Carrillo Fuentes reportedly brokered an agreement between rival cartels in the 1990s to protect business. Some believe that the current military operations and media attention may spur a similar agreement.<sup>27</sup>

Should alliances evolve between different factions the violence in Mexico could be easily pacified. If warring groups do indeed begin to form agreements, some experts believe that the possibility exists for the emergence of a so-called "megacartel", which would control all of the drug traffic in the country.

### **US Reaction and the Colombia Connection**

If Calderón's fight against organized crime is meant to attract attention, the President will certainly hope that his American counter-part is interested in the news.

The Bush administration welcomed Calderón's initiative to extradite drug kingpins to the United States and has applauded the efforts of the new Mexican administration on its quest to combat organized crime and corruption. Extraditions, destruction of illicit crops and the zealous fight against organized crime, however, may be intended to entice the U.S. government to provide a hefty aid package to Mexico rather than actually bring an end to what many are now calling the "Mexican War on Drugs".

In his first published interview with the foreign media, Calderón spoke with the Financial Times on 23 January 2007 where he said the US must do more to help Mexico succeed in its battle against organized crime. He pointed out the US's joint responsibility for the problems happening in Mexico and said that in "that joint responsibility the American government has a lot of work to do. We cannot confront this problem alone and we will need help."

Calderón told the Financial Times that the US could contribute more in bilateral aid, specifically equipment and money, providing millions or even billions of dollars.<sup>28</sup>

The connection between Colombia and Mexico is an important detail that Calderón will have to take into consideration in his plan to fight organized crime. What happens to drug traffickers in Colombia is easily reflected in the operations of organized crime groups in Mexico. If Calderón intends to make a serious blow to organized crime he will have to work with Colombia to do it.

Soon after he was declared president-elect in September 2006 Calderón made a quick tour of Central and South America where he visited Colombia and met with President Alvaro Uribe. Meeting with President Uribe and ministers of the Colombian security institutions, the soon-to-be president of Mexico heard recommendations, some of which were implemented soon after he took power on 1 December 2006.

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<sup>26</sup> Tobar , H., "Mexican drug violence claims nearly 500 lives," Los Angeles Times, 24 March 2007.

<sup>27</sup> "Mafia violence continues to spiral out of control," El Universal, 5 March 2007.

<sup>28</sup> Thomson, A., "Interview transcript: Felipe Calderón," Financial Times, 23 January 2007.

Michael Shifter, vice president of policy at the Inter-American Dialogue, who spoke with the Christian Science Monitor, points out parallels between Calderón's efforts and those of Colombia's President Álvaro Uribe, who has received more than \$7 billion from the US in recent years for his country's war on drug trafficking. "Uribe tapped into a real sentiment that was widely held in Colombia, where insecurity had just become intolerable for people," Mr. Shifter said. "Somebody had to take charge. Calderón senses the same thing in Mexico in 2007."<sup>29</sup>

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<sup>29</sup> Llana, S., "With Calderón in, a new war on Mexico's mighty drug cartels," The Christian Science Monitor, 22 January 2007.



## **Afterword and Comments on the Evolution of a “mega cartel”**

**By Sam Logan**

Since completing work on “The Reality of a Mexican Mega Cartel,” in October 2006, I have been interested preparing a follow up piece. But I wanted to wait and see how the struggle between the Sinaloa Federation and the Gulf Cartel played out.

It appears as though the Gulf Cartel has begun to rip itself apart. Members of the cartel’s private army, Los Zetas, have engaged in a power struggle with cartel leaders seeking to replace Osiel Cardenas since his extradition to the United States in January 2007. As I wrote in October, the Sinaloa Federation was well positioned to take over drug smuggling in Mexico. This event appears more like a possible scenario everyday.

Looking beyond the evolution of the Sinaloa Federation, Ashley and I decided to track Calderón’s progress in his fight against organized crime in Mexico from December through May and pull the information together into one piece.

Since completing the draft of this document, we have struggled with finalizing it for publication because violence has continued to rage across Mexico. There has barely been a two-day lull in activity during the middle two weeks of May.

I would like to note some of those incidents here.

On 20 May, the Associated Press recorded the death of three police officials in Monterrey.

This event occurred only days after suspected members of Los Zetas, numbering around 50 gunmen, killed five policemen and two civilians just south of the Arizona-Mexico border in Cananea on 16 May. Local police followed the gunmen to a mountain house where a shoot out resulted in the death of over 20 gunmen. Official numbers have not yet been released.<sup>30</sup>

On 14 May, the tortured remains of Jorge Altriste, formerly the head of operations for the Tijuana office of Mexico’s elite police unit known as AFI was found in a poor neighborhood outside Tijuana. On the same day, gunmen killed Jose Nemesio Lugo Felix, a leading intelligence official working to dismantle organized crime with Mexico’s Attorney General’s office in Mexico City.

In April, Lugo was named the general coordinator of the attorney general’s National Center of Planning, Analysis, and Information for the Combat of Crime, according to the Associated Press.

The leader of a state-level criminal investigative team was killed that same week in Hermosillo. And on 13 May, the bodyguards of Mexico State governor Enrique Pena Nieto were killed in Veracruz, a town where organized crime has terrorized police for years.

It has been difficult to accurately track the numerous killings, threats, messages of psychological warfare, and inner workings of the battle to control drug smuggling in

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<sup>30</sup> Lloyd, Marion, “Brazen raid in Mexico seen as change for worse,” Houston Chronicle, 17 May 2007.

Mexico. We have identified a trend, however. It is one that continues to lead us to believe in the eventual formation of a Mexican mega-cartel.

This mega-cartel would likely not take the traditional pyramid shape, where one man, or a small group or “council”, runs one mammoth organization. This traditional organizational structure, seen in Colombia with the Medellín Cartel run by Pablo Escobar, or the Cali Cartel run by the Ochoa brothers, has been proven unstable over time due to internal power struggles often caused by extradition, greed, and various other factors.

Within Mexico, a series of smaller, networked organizations will arise and support one another, much like what we’ve seen with the so-called “baby cartels” in Colombia. This trend has formed in the wake of the creation of the Sinaloa Federation, considered the largest and most powerful organized criminal faction in the Americas, apart from its number one business partner, the Revolutionary Armed Forces of Colombia (FARC). Due to its size and the extent of its network, the Sinaloa Federation can stretch across the Americas, reaching into the Andes for cocaine supplies and deep into the United States with distribution channels that run as high and far as Seattle and Maine.

Other networked criminal organizations, such as the First Capital Command prison gang in Sao Paulo, or the Red Command drug trafficking organization in Rio de Janeiro, have had decades of success in Brazil, ensuring survival through a horizontal-shaped and well networked organization that stretches beyond Brazilian cities into Uruguay, Argentina, Paraguay, Bolivia, Peru, Colombia, Suriname, and Venezuela.

The same trend has also been observed within the Mara Salvatrucha street gang inside the United States.<sup>31</sup> Aware the gang is still a loosely-tied network of smaller cliques, the Federal Bureau of Investigation is concerned that this network will strengthen over time, forcing higher levels of organization as the street gang climbs above 10,000 members nation-wide. Some already put their numbers above 30,000.

We’re not convinced billions in US financial aid would reverse the trend towards the eventual creation of a mega cartel in Mexico. Even if talk of a so-called “Plan Mexico” leaves back-channels, there’s little evidence that suggests the idea would leave paper before the end of Calderón’s six-year administration.

With US presidential elections around the corner, the best we can hope for is that a piece of this debate enters the dialogue surrounding US presidential elections. Already, however, it seems talk of organized crime in Mexico will be vastly overshadowed by concerns with immigration, terrorism, education, and health care, all topics closer to US voters’ hearts and minds than Mexican national security.

We hope that this work will contribute to greater understanding of what we consider a serious public security problem in Mexico. It is, in part, a result of little to no attention given to Latin America and, particularly, to Washington’s closest neighbor in to the south. Of all the mistakes made by the Bush administration that are sure to be highlighted during the US presidential elections, we hope his lackluster policy for Mexico, and the rest of Latin America, is near the top of what is sure to be a long list.

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<sup>31</sup> See Logan, Sam and Ashley Morse, “MS-13 and U.S. Response,” February, 2007.