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JOINT STAFF FORCE COLLEGE

JOINT ADVANCED WARFIGHTING SCHOOL



Two Faces of Attrition: Analysis of a Mismatched Strategy against Mexican and Central American Drug Traffickers

by

Diane E. Halladay

Defense Intelligence Agency

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Defense Intelligence Agency

A paper submitted to the Faculty of the Joint Advanced Warfighting School in partial satisfaction of the requirements of a Master of Science Degree in Joint Campaign Planning and Strategy. The contents of this paper reflects my own personal views and are not necessarily endorsed by the Joint Forces Staff College or the Department of Defense.

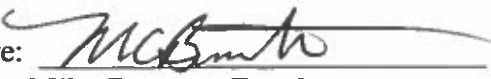
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Abstract

Over the past decade, Mexico, Central America, and the United States' strategy against drug trafficking in the region focused on the removal of senior leaders, termed High Value Targeting (HVT), hoping this would diminish their ability to challenge the rule of law, but Transnational Organized Crime (TOC) and criminal groups are ascendant throughout the region. Drug trafficking groups are not attriting, but regenerating after leadership removals, partially from uninterrupted cocaine supply and a continuous funding stream from drug proceeds that allow the groups to adapt to HVT successes. The emphasis on HVT comes at the expense of drug interdiction, particularly cocaine, which also is needed to fight this war of attrition. By comparing the timing of HVT targeting campaigns to quantitative datasets that identify increased cocaine shipments, the thesis shows that HVT alone does not diminish drug traffickers' capability to challenge the rule of law, but may increase it. The results suggest greater frequency and amounts of cocaine interdiction will deprive the traffickers from maximizing profits and curtail some of the trafficker's "buying power" used to recruit new members, gain political protection, and gain access to law enforcement. A more balanced approach, which includes both HVT targeting and cocaine interdiction is needed to fight this war of attrition to shift the balance of power away from TOC.

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Dedication

To my husband, Michael Halladay, a fervent mentor to me on the subject of illicit drug trafficking. His faith in me provided me the fortitude to write this thesis and his selflessness allowed me the time.

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Chapter 1

Threat of Drug Trafficking Organizations

In the National Security Strategy, I committed my Administration to the pursuit of our enduring national interests: security, prosperity, respect for universal values, and the shaping of an international order that can meet the challenges of the 21st century. The expanding size, scope, and influence of transnational organized crime and its impact on U.S. and international security and governance represent one of the most significant of those challenges.

President Barack Obama,

July 19, 2011

Strategy to Combat Transnational Organized Crime: letter from the President

Illicit trafficking networks pose a complex transnational threat to the stability of Latin America and the Caribbean, and to U.S. public health and national security.¹ Considering that these well-sourced groups challenge the rule of law through corruption and violence, it is prudent to explore ways to diminish their ability to do so. The **previous** emphasis on High Value Targeting (HVT) comes at the expense of drug interdiction, particularly cocaine interdiction, which also is needed to fight this war of attrition. In July 2011, the White House unveiled its Strategy to Combat Transnational Organized Crime (TOC) that recognized the expanding size, scope, and influence of TOC and its effect on U.S. and international security and governance.² The objectives of this strategy include breaking the economic power of these groups and depriving them of their enabling means.³ A 2011 report published by the National Intelligence Council asserts

¹ U.S. Southern Command, *Countering Transnational Organized Crime*, <http://www.southcom.mil/ourmissions/Pages/Countering%20Transnational%20Organized%20Crime.aspx>, (accessed September 4, 2016).

² U.S. President, National Security Council, *U.S. Strategy to Combat Transnational Crime, Letter from the President*, (Washington DC: Government Printing Office, July 25, 2011), <https://www.whitehouse.gov/administration/eop/nsc/transnational-crime>, (accessed September 4, 2016).

³ Ibid.

that TOC is a threat to U.S. and International Security.⁴ In Central America alone, TOC threatens the region's prosperity and can cost up to eight percent of its GDP.⁵

Over the past decade, Mexico, Central America, and the United States' strategy against drug trafficking in the region focused on HVT, or the removal of senior leaders, which was largely successful in removing kingpins or senior member of these organizations.⁶ The goal of this strategy is to reduce the traffickers' capability to challenge the rule of law. Because traffickers continue to cause instability throughout Mexico, drug-related deaths for the first eight months of 2016 increased by eighteen percent from the same period a year earlier.⁷

As instability increases in Mexico and Central America, so has the cocaine flow through the region. Since 2006, the year Mexico started its HVT campaign, cocaine shipments available to enter the United States increased by roughly forty-four percent.⁸ According to the U.S. government, as of mid-2016, about 1,300 metric tons of cocaine departed South America and were available to transit through Central America and

⁴ U.S. Office of the Director of National Intelligence, National Intelligence Council, *Transnational Organized Crime—a Threat to US and International Security—Manifests Itself in Various Regions in Different Ways*, (Washington DC: Government Printing Office, 2011).

⁵ Ibid.

⁶ Shirk and Joel Wallman, "Understanding Mexico's Drug Violence," *The Journal of Conflict Resolution* 2015 VOL. 59(8) (May 24, 2015): 1362 (David Shirk has worked extensively with the U.S. Intelligence Community at open forums on Mexico); Economist Intelligence Unit N.A. Incorporated, "Kingpin Bowling; Mexico's Drug Lords," *The Economist*, Vol. 405, Issue 8807 (Oct 20, 2012): 34; *The Economist online*, <http://www.economist.com/blogs/graphicdetail/2012/10/daily-chart-10>, (accessed September 4, 2016); Harriette Alexander, "Mexico's most wanted: Which drug lords have been captured under Enrique Peña Nieto?", *Telegraph.co.uk*, October 1, 2015, <http://www.telegraph.co.uk/news/worldnews/centralamericaandthecaribbean/mexico/11449919/Mexico-most-wanted-Which-drug-lords-have-been-captured-under-Enrique-Pena-Nieto.html>, (accessed September 4, 2016).

⁷ Hanna' Tameez, "Mexico Grapples With a Rise in Killings," *The Wall Street Journal*, September 25, 2016.

⁸ U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016).

Mexico with the United States as a final destination.⁹ Maritime and land corridors through Central America and Mexico continue to be the major transit routes for cocaine from South America bound for the United States.¹⁰

Mexican traffickers receive drug proceeds from the sale of the cocaine in the United States, which allows these groups to continuously purchase more cocaine from South American drug traffickers, particularly in Colombia.¹¹ This uninterrupted funding stream allows the traffickers to purchase more cocaine loads, to corrupt officials who facilitate trafficking, to attract new recruits and develop new leaders, and to purchase weapons used to defend themselves against security forces.¹² A more balanced approach, which includes both HVT targeting and drug interdiction, particularly cocaine, is needed to fight this war of attrition.

First, greater frequency and amounts of cocaine interdiction will prevent the traffickers from maximizing profit. Second, interdicting cocaine loads closer to the source zone of South America, before they reach landfall in Central America or Mexico, will deprive drug traffickers, logisticians, and corrupt officials who facilitate the movement of cocaine through the region of funds. This theory is similar to the

⁹ Ibid.

¹⁰ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2016 International Narcotics Control Strategy Report: Country of Guatemala*, Department of State (Washington DC, 2016); U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Mexico*, Department of State (Washington DC: 2015); U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Honduras*, Department of State (Washington DC: 2015).

¹¹ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, (Washington DC: Government Printing Office, May 2016), 7.

¹² Stratfor, "Mexican Cartels: Cartel Jalisco Nueva Generacion," *Stratfor*, April 4, 2013, https://www.stratfor.com/video/mexican-cartels-cartel-de-jalisco-nueva-generacion?0=ip_login_no_cache%3D20991ab9b44cab52870796dff11d464c, (accessed September 4, 2016); Jerry Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver* (Canada: John Wiley & Sons Canada Ltd., 2012), 131.

“Anaconda Strategy” that General Petraeus used against Al-Qaida-Iraq (AQI) in 2008; the strategy was to “squeeze and keep squeezing” to cut off AQI from what it needs— money, popular support, safe havens, foreign fighters and weapons.”¹³ Last, sustained cocaine removal will likely reduce recruitment of new traffickers and potentially make drug trafficking less attractive to TOC.

Defining TOC will help explain how drug trafficking fits into this ambiguous label. Additionally, defining drug trafficking and attritive strategies are crucial to articulating and employing effective counter strategies. It is also important to understand their history and how they became a national security threat that led the governments to pursue an HVT strategy, and how they remain viable through their own attrition strategy that enables them to challenge the rule of law. Analyzing how these groups are able to regenerate may offer the U.S. potential mechanisms to balance the war of attrition and increase the loss of resources through cocaine interdictions, in light of a decade long reluctance to drug interdiction.

Finally, analyzing a potential mechanism for U.S. Northern Command (NORTHCOM), U.S. Southern Command (SOUTHCOM), and Joint Interagency Task Force South (JIATF South) to conduct a more unified multi-regional approach may enhance cocaine interdiction. The United States assists most of the countries in the region with assets to interdict and queues intelligence.¹⁴ Nevertheless, most countries

¹³ Robert M. Birkenes, “Interagency Cooperation: The JIATF in Iraq,” *Foreign Service Journal*, Vol.86, No.9 (September 2009): 30.

¹⁴ U.S. Southern Command, *Countering Transnational Organized Crime*, <http://www.southcom.mil/ourmissions/Pages/Countering%20Transnational%20Organized%20Crime.aspx>, (accessed September 4, 2016); Congressional Research Service, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, R41731 (Washington DC: Government Printing Office, December 17 2015), 19.

lack the political will and therefore cocaine interdiction numbers remain dismal. As instability and drug-related violence increases throughout the region, partially because of cocaine movement and payment-in-kind, these countries may become more willing to at least exert more effort in decreasing the volume of cocaine flowing throughout the region. The United States allocates \$2.6 billion to support the Plan of the Alliance for Prosperity in the Northern Triangle (Honduras, El Salvador, Guatemala), to improve security in those countries.¹⁵ This plan will be closely linked to intensified counternarcotic efforts in Central America because drug trafficking is the major source of revenue for the most powerful criminal organizations.¹⁶ It may be time to teach them “how to fish” instead of fishing for them.

Strategies and Definitions

Not surprisingly, different authors formulated their own definitions of TOC and Drug Trafficking and the interactions of both that cause instability throughout Mexico and Central America. But, it is prudent to take the definition of TOC from the national-level policy document, since it includes the strategy to combat TOC. Similarly with the cocaine statistics, data on what is available for movement from the source zone and how much is interdicted, needs to be derived from government agencies tasked with tracking and vetting these data points through an inter-agency process.

Equally important to these two data points is the revenue from drug trafficking, particularly cocaine. This statistic, however, seems to be the most elusive figure as several authors suggest numbers ranging from \$6-30 billion annually, but it is difficult to

¹⁵ U.S. President, *U.S. Strategy for Engagement in Central America*, White House, (Washington DC: https://www.whitehouse.gov/sites/default/files/docs/central_america_strategy.pdf, March 16, 2015), 7.

¹⁶ Ibid.

corroborate these figures.¹⁷ The United Nations Office of Drug Control calculated that in 2010 the profits to Mexican drug traffickers from wholesale cocaine trafficking to the U.S. alone were \$2.9 billion.¹⁸ But even U.S. government agencies cannot give an exact figure. Three factors suggest cocaine is one of the most lucrative drugs to traffic: 1) the sheer volume of cocaine available to enter the United States; 2) the size of the consumer market of which the United States is the largest consumer of cocaine worldwide; and 3) the high retail price index in major U.S. cities.¹⁹

Lastly, the literature on Mexican drug trafficking organizations focus on drug-related violence from the fallout of HVT, but does not examine the underlying issues that allow these groups to continue to challenge the rule of law. Moreover, there seemed to be a deficiency in the literature on the role of drug trafficking in Central America, as a key transit node, that affects instability. Summing up, there was a mismatch between how HVT success over the past decade correlated to the increase in cocaine flow through the region. This required exploration about how a mismatched strategy, which did not emphasize cocaine interdiction, allowed groups affected by HVT to regenerate.

Not even the best strategy, one that identifies the *ends, ways, means* and takes into account the suitability, reliability and acceptability of the strategy will completely stop

¹⁷ Patrick Radden Keefe, "Cocaine Incorporated," *The New York Times Magazine*, June 15, 2012, http://www.nytimes.com/2012/06/17/magazine/how-a-mexican-drug-cartel-makes-its-billions.html?_r=0, (accessed on September 4, 2016); Harriette Alexander, "Mexico's most wanted: Which drug lords have been captured under Enrique Peña Nieto?," *Telegraph.co.uk*, October 1, 2015; Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 7.

¹⁸ Andrew M. Tamaro, "Challenging Illicit Bulk Cash Flows: Next Steps for US Law Enforcement, Homeland Security & Emergency Management," *Journal of Homeland Security & Emergency Management* Vol. 11, Issue 2 (June 2014): 282.

¹⁹ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 4; Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, (Washington DC: Government Printing Office, 2013), 5; El Paso Interdiction Center, "Cocaine Seizures along the SWB from CY 2006 to 2016," *National Seizure Statistics database*, Drug Enforcement Administration.

drug trafficking to the United States. Drug trafficking is a complex problem because of the human factors involved, therefore one can only influence the outcome. As Harry Yarger states, strategy not only identifies strategic *ends* (objectives), *ways* (concepts), and *means* (resources), but when accomplished leads to favorable effects (without reverse affects) in regard to the state's well-being.²⁰ Removing some of the trafficker's major sources of purchasing power throughout the region meets Yarger's criteria for a good strategy. Drug interdiction is just one of the many *ways* to reduce financing the cartels, and it is the focus of this thesis, while this thesis mentions others in the conclusion.

Definition of TOC, Drug Trafficking and Attrition

TOC and drug trafficking are intertwined and correlated, which makes it prudent to understand the terms. The White House unveiled its Strategy to Combat TOC in July 2011 that recognized the expanding size, scope, and influence of TOC and its influence on U.S. and international security and governance.²¹ The document refers to TOC as:

self-perpetuating associations of individuals who operate transnationally for the purpose of obtaining power, influence, monetary and/or commercial gains, wholly or in part by illegal means, while protecting their activities through a pattern of corruption and/or violence, or while protecting their illegal activities through a transnational organizational structure and the exploitation of transnational commerce or communication mechanisms.²²

²⁰ Harry R. Yarger, *Strategic Theory for the 21st Century: The Little Book on big Strategy*, LeTort Paper, Strategic Studies Institute (Carlisle, PA, February 2006), 13.

²¹ U.S. President, National Security Council, *U.S. Strategy to Combat Transnational Crime, Definition of TOC*, (Washington DC: Government Printing Office, July 25, 2011), <https://www.whitehouse.gov/administration/eop/nsc/transnational-crime>, (accessed September 4, 2016).

²² Ibid.

One of these illegal means is drug trafficking, which is also the most lucrative business among the illicit economic activities.²³ The objectives of this strategy include breaking the economic power of these groups and depriving them of their enabling means.

Drug trafficking is a global illicit trade involving the cultivation, manufacture, distribution, and sale of substances which are subject to drug prohibition laws, according to the United Nations Office of Drugs and Crimes (UNODC).²⁴ Former President of Mexico, Felipe Calderon, defines drug trafficking as “the smuggling of illegal substances from production regions in Latin America to the consumer market, mainly the United States.”²⁵ In contrast, organized crime is the criminal activity that, through violence or threats, seeks to extract illegal or legal rents from the community, i.e. extortion.²⁶ The UNODC states that organized crime manifests in many forms, including as trafficking in drugs, firearms and even persons.²⁷ The intersection of these two groups is drugs, specifically cocaine from South American source countries.

Because of the overlap in some of the illicit activities, drug trafficking and organized crime are often conflated. President Calderon, however, emphasizes that organized crime tends to take over and control law-enforcement institutions so it later can extract the rents of society through kidnapping, extortion, violence or threats.²⁸ Drug

²³ Ibid.; Sayaka Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses* (USA: Ashgate Publishing, 2008), 6; Tony Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security* (USA: Praeger Security International, 2006), 25.

²⁴ United Nations Office on Drugs and Crime, drug trafficking introduction. <http://www.unodc.org/unodc/en/drug-trafficking/index.html>, Website accessed 17 September 2016

²⁵ Felipe Calderon, “Drug Trafficking and Organized Crime, connected but different,” *Harvard International Review, Crime and Punishment*, Vol. 36, Issue 4 (Summer 2015): 52.

²⁶ Ibid.

²⁷ United Nations Office on Drugs and Crime, Organized Crime. <http://www.unodc.org/unodc/ar/organized-crime/index.html>, Website accessed 28 November 2016

²⁸ Ibid., 53.

trafficking organizations also use various intimidation tactics, such as extortion and kidnapping, as they diversify their operations to offset losses from either drug interdiction or HVT successes.²⁹ Drug trafficking was and still is the main source of income for many criminal organizations operating in the region. Therefore, drug trafficking is the *ways* and *means* to support TOC networks: the enormous profits (*means*) associated with drug trafficking (*ways*) continuously feeds TOC networks enabling them to bribe civilian and military officials to facilitate their operations to remain powerful (*ends*).

The emphasis to reduce the power (*ends*) of the drug traffickers was mostly one of attrition through HVT, with much less focus on attacking their resources. For the purpose of this thesis, *attrition* refers to the wearing down of the enemy through continuous loss of manpower and resources.³⁰ Clausewitz' theory of attrition warfare means victory is achieved by wearing down the enemy, by imposing on the enemy a higher casualty rate, usually associated with defensive strategies and with high concentrations of force. Because the renewal of manpower and resources is steady in drug trafficking, HVT serves as an example of how very difficult it is to achieve a decisive victory through attrition.³¹

²⁹ Michael Lohmuller, "Abduction of Mexico Soccer Star Spotlights Kidnapping in Tamaulipas," *Insight Crime, Investigation and Analysis of Organized Crime*, May 30, 2016; Joshua Partlow, "Kidnappings in Mexico surge to the highest number on record," *The Washington Post*, August 15, 2014.

³⁰ William Kelleher Storey, *The First World War: A concise Global History* (USA, Maryland: Rowman & Littlefield, 2014), 157.

³¹ Mary Kaldor, *New and Old Wars: Organized Violence in a Global Era* (USA, California: Stanford University Press, 1998), 24.

Chapter 2

Mexican Traffickers Rise of Power and the Nexus with TOC

The U.S. Drug Enforcement Administration (DEA) state, in its 2016 National Drug Threat Report, that Mexican TCOs remain the greatest criminal drug threat to the United States.¹ No other group can challenge them in the near term.² Mexican TCOs are the most significant drug trafficking organizations operating in the United States today and are constantly looking to expand their presence in the United States.³ The Mexican drug trafficking poly-drug organizations continue to be the principle suppliers of cocaine, heroin, methamphetamine, and marijuana to the United States.⁴

The source of Mexican drug organizations' power stems from their consolidation over the cocaine market. Mexico has a long history of drug trafficking, particularly marijuana and heroin, and the extent of drug trafficking is ingrained throughout generations in certain regions.⁵ Historically, the Colombian traffickers were renowned for their cocaine trafficking into the United States under the infamous Cali and Medellin Cartels in the 1980's. The increased scrutiny of these cartels during the late 1980's prompted them to divert cocaine through Central America instead of their Caribbean route to South Florida, which led to the rise of Mexican traffickers throughout the region.⁶ The scrutiny came through the National Defense Authorization Act of 1989,

¹ U.S. Department of Justice, Drug Enforcement Administration, *2016 National Drug Threat Assessment Summary*, (Washington DC: Government Printing Office, November 2016), page VI.

² *Ibid.*, page VI.

³ *Ibid.*, page VI, 2.

⁴ *Ibid.*, page VI, 9.

⁵ George W. Grayson, *The Impact of President Felipe Calderon's war on drugs on the armed forces: The prospects for Mexico's "Militarization" and Bilateral Relations*, External Research Associates Program Monograph, (Carlisle Barracks, PA: U.S. Army War College Press, 2013), 1-37.

⁶ George W. Grayson, "Mexico's struggle with 'drugs and thugs'," *Foreign Policy Association* No 331, (Winter 2009): 29, 78; Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 60.

which designated the Pentagon as the “single lead agency” for the detection and monitoring of illicit drug shipments into the United States.⁷ The eventual fragmentation of the Colombian cartels opened the way for Mexican cartels to expand their operations from just acting as transportation groups to purchasers of cocaine.⁸ The rapidly growing wealth of these Mexican groups allowed them to have more influence on federal government and state institutions.

In 1990, the Mexican President’s brother, Raul Salinas, met with Mexico’s most powerful drug trafficker, Amado Carrillo Fuentes and struck a deal that allowed Carrillo Fuentes to operate with impunity. Further investigations concluded Salinas was involved in money laundering and Swiss officials froze \$110 million.⁹ To underscore the reach drug traffickers had into the highest level of Mexican government institutions, Mexico’s drug czar, appointed in 1996, was convicted of using his position to work for Carrillo Fuentes.¹⁰ Furthermore, the Mexican traffickers who once earned cash for transporting the Colombians’ cocaine north, now frequently received their payment-in-kind, as kilos of cocaine instead of cash.¹¹

Since the demise of the Colombian cartels, the smaller Colombian trafficking groups yielded much of the transportation of cocaine from South American to the Mexican traffickers. This symbiotic relationship stems from Colombians reducing their profits as Mexicans assumed more of the risk in transporting cocaine shipments

⁷ Grayson, “Mexico’s struggle with ‘drugs and thugs,’” 29.

⁸ U.S. Department of Justice, Drug Enforcement Administration, *History of DEA from 1994-1998- The Rise of Traffickers in Mexico*, (Washington DC: Government Printing Office), page 100.

⁹ Peter Watt and Roberto Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy* (London: Zed Books Ltd., 2012), 108.

¹⁰ *Ibid.*, 132; Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 77.

¹¹ Ioan Grillo, *El Narco, Inside Mexico’s Criminal Insurgency* (New York: Bloomsbury Press, 2011), 83; Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 65.

throughout Central America and Mexico, with final destination in the United States.¹²

The Mexicans slowly gained control of this drug trafficking corridor and accepted the risk of buying large quantities of cocaine from their Colombian counterparts in exchange for greater profits. The gamble paid off for the most powerful Mexican Cartels, Sinaloa, Gulf, Juarez and Tijuana, during the 1990's and early 2000's.¹³

Central America and Mexico became the “path of least resistance” for the Mexican traffickers to move these large shipments northward. Maritime and land corridors through Central America and Mexico continue to be the major transit routes for cocaine from South America bound for the United States.¹⁴ Mexican trafficking groups have affiliates that operate throughout Central America and Mexico serving as logisticians to transport the cocaine north.¹⁵ The “in-kind” payment system from Mexican traffickers to these logisticians fueled violence in that region as gangs vied for control over retail-level sales in Honduras and to a lesser extent in El Salvador.¹⁶

Calderon argues that the drug traffickers transitioned into organized criminals in the past decade, partially because of this payment-in-kind method. He believes that the transition from mere drug trafficking to organized crime made what was once a public

¹² Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 82.

¹³ U.S. Department of Justice, Drug Enforcement Administration, *History of DEA from 1994-1998- The Rise of Traffickers in Mexico*, (Washington DC: Government Printing Office), page 100; U.S. Department of Justice, Drug Enforcement Administration, *History of DEA from 1999-2003- Targeting the Arellano-Felix Trafficking Organization (2000-2002)*, (Washington DC: Government Printing Office), 143.

¹⁴ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2016 International Narcotics Control Strategy Report: Country of Guatemala*; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Mexico*; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Honduras*.

¹⁵ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Panama*, (Washington DC: Department of State, 2015).

¹⁶ Douglas Farah, “Central American Gangs: Changing Nature and New Partners,” *Journal of International Affairs* Vol 66, No 1(Fall/Winter 2012): 60-61.

security problem into a national security challenge.¹⁷ Although, drug trafficking still remains the main source of income for many of the criminal organizations operating in the region, the difference between these groups is in the types of business. On top of traditional drug trafficking, traffickers started a new and profitable business of retailing drugs in Mexico and other countries in the region.¹⁸ The “in-kind” payment system, by paying traffickers in cocaine instead of cash, helped Mexico become not just a transit country but also a consumer country.¹⁹

These smaller franchises that operate on the retail-level are intertwined with the larger drug trafficking groups that acquire and move the large multi-ton loads of cocaine into the region. As Calderon suggests, it may be a different business model, but the members either work on behalf of, or are allied with, the same trafficking organizations. Therefore, the organizations’ leaders have two funding streams: profits from selling the cocaine to the retail-level sales traffickers in the region, or profits from the wholesale distributor in the United States. Both types of sales keep these groups well-funded.

Corruption of civilian and military officials to facilitate these operations serves as another nexus between the retail-level drug sales and wholesale. Drug traffickers, tasked with moving large loads of cocaine from South America, need law enforcement or military to, at a minimum, not interfere with operations and therefore prefer to work in ungoverned spaces.²⁰ For criminal organizations to control multiple sale points, they

¹⁷ Calderon, “Drug Trafficking and Organized Crime, connected but different,” 53.

¹⁸ Farah, “Central American Gangs: Changing Nature and New Partners,” 60.

¹⁹ Calderon, 54.

²⁰ Douglas Farah, “Central America’s Northern Triangle: A Time for Turmoil and Transitions,” *PRISM Security Studies Journal*. 2013, Vol. 4, Issue 3, (2013): 91.

must control territory to conduct these operations. This requires supervision by members affiliated with the retailing groups and for law enforcement to, at least, not interfere.

Mexican cartels receive enormous revenue from exporting drugs to the United States, estimated to be between \$6 to 30 billion, which allows these groups to continuously purchase more cocaine from South American drug traffickers, particularly in Colombia.²¹ Over ninety percent of the cocaine seized by authorities in the United States, and analyzed as part of the DEA's Cocaine Signature Program in 2013, was of Colombian origin, consistent with previous years.²²

With larger profits, Mexican trafficking groups quickly gained more “purchasing power” to bribe individuals needed to either facilitate the movement of these drugs or allow the traffickers to operate with impunity to keep the drugs moving northward. At one point, \$250,000 was the going ante to meet with Mexican government officials to attain protection from police forces that operated in trafficker's territory.²³

The Mexican traffickers' purchasing power made its way south to the Northern Triangle of Central America, Guatemala, Honduras and El Salvador. Over the past decade, Mexican-based and regional traffickers gained both territorial control and political power because of the transactional relations built on the exchange of goods and service, to include the right of passage for a cocaine load in exchange for cash or

²¹ Patrick Radden Keefe, *Cocaine Incorporated*, The New York Times Magazine, June 15, 2012; Harriette Alexander, “Mexico's most wanted: Which drug lords have been captured under Enrique Peña Nieto?”, Telegraph.co.uk, October 1, 2015; Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 7; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Colombia*, (Washington DC: Department of State, 2015); U.S. Department of Homeland Security, *United States of America-Mexico Bi-National Criminal Proceeds Study*, (Washington DC: Government Printing Office), 1.

²² U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Colombia*.

²³ Grayson, “Mexico's struggle with ‘drugs and thugs’,” 19.

payment. Nearly 80% of the cocaine that is destined for the United States stops first in a Central American country before onward shipment to Mexico.²⁴ Therefore, drug traffickers in this region are flush with resources, political protection, and access to law enforcement entities; the criminal organizations are ascendant.²⁵

When Felipe Calderon was elected President in December 2006, he quickly recognized the extent to which drug corruption undermined Mexico's government, and decided to attack the impunity of drug traffickers and TOCs. His successor, President Enrique Pena Nieto continues Calderon's approach for the most part. However, Central American countries took a bit longer to react to the Mexican drug traffickers' expansion. When Juan Orlando Hernandez takes offices as President of Honduras in 2014, Honduras was ranked number one for homicides per capita in the world by the United Nations.²⁶ Although he recognized the effect these trafficking groups had on the instability of his country, Calderon's decision to fight against drug traffickers, without taking into consideration a more holistic effort to destabilize these power groups, spurred more violence and instability.²⁷

²⁴ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 90.

²⁵ Ibid., 89.

²⁶ United Nations Office on Drugs and Crime, *Global Study on Homicide 2013- Trends, Context, Data*, http://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf, Website accessed 28 November 2016, 24.

²⁷ David Gange, "Grading Honduras president's Security Performance," *Insight Crime, Investigation and Analysis of Organized Crime*, February 12, 2016; 1.

Chapter 3

HVT and Cocaine Interdiction Strategies: Genesis, Successes, and Deficiencies

Upon taking office as President, Felipe Calderon quickly recognized the extent of drug corruption that undermined Mexico's government institutions.¹ People suffered from kidnappings and extortion, and Calderon chose a strategy to fight organized crime by prosecuting drug traffickers like any other federal crime.² He overhauled law enforcement institutions and agencies, and cleansed police and judicial institutions. Then, he sought to restore the social fabric by providing educational, social, and labor opportunities. He wanted to protect Mexican families from crime and transform Mexico into a country where rule of law prevailed.³ This one-sided strategy of only attacking the individuals that comprise these groups, without focusing on the commodity that generates their ability to challenge the rule of law, is a major deficiency in Mexico's attempt to downgrade the power of these major cartels.

President Calderon launched OPERATION Michoacán in his home state, just a few weeks after taking the oath of office.⁴ The purpose of this operation was to "end the impunity of the criminals that puts at risk the tranquility of all Mexicans, especially our families," the Interior Secretary said at a news conference.⁵

Mexico City soon realized that it was not so easy to "take back" the power gained by the traffickers and the freedom of movement they enjoyed for several decades. This

¹ Calderon, "Drug Trafficking and Organized Crime, connected but different," 54-55.

² Ibid., 55.

³ Ibid., 54.

⁴ Nathaniel Parish Flanner, "Calderon's War." *Journal of International Affairs*, Vol. 66, No. 2 (Spring/Summer – 2013): 181.

⁵ Sara Miller Llana, Mexican Army Invades Pot Plantations, *USA TODAY*, December 21, 2006. http://usatoday30.usatoday.com/news/world/2006-12-21-mexico-drug-effort_x.htm.

approach by President Calderon, inserting the military in the equation as a force multiplier to restore order, soon became a prolonged war of attrition between the Mexican government and the drug traffickers. Rather than falling into line, as Calderon hoped, traffickers fought the government.⁶

One-sided Attrition Strategy: Manpower

Mexico actively combats drug trafficking organizations, and U.S.-Mexico cooperation in this area is substantial.⁷ U.S. assistance, under the Merida Initiative, supported President Calderon's strategy's first axis, fighting criminals by providing modern equipment and shared intelligence, was critical to neutralize almost all top leaders of organized crime.⁸ This intelligence-led interdiction strategy is commonly referred to as High-value targeting (HVT).

Over the past decade, Mexico, Central America, and the United States' strategy against drug trafficking in the region focused on the removal of senior leaders, and was largely successful at achieving its objectives.⁹ The government removed, by either capture or killing, 100 of its 122 most wanted traffickers under the Pena Nieto

⁶ Grillo, *El Narco, Inside Mexico's Criminal Insurgency*, 10; Vanda Felbab-Brown, *Calderon's Calderon: lessons from Mexico's Battle Against Organized Crime and Drug Trafficking in Tijuana, Ciudad Juarez, and Michoacán*, (USA: Latin America Initiative at Brookings, 2011), 38.

⁷ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Mexico*.

⁸ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 82.; Calderon "Drug Trafficking and Organized Crime, connected but different," 52-56; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, Merida Initiative Fact Sheet, <https://www.state.gov/j/inl/merida/>. US appropriated \$2.5 Billion since it began in Fiscal Year 2008.

⁹ Economist Intelligence Unit N.A. Incorporated, "Kingpin Bowling; Mexico's Drug Lords," *The Economist*, Vol. 405, Issue 8807 (Oct 20, 2012): 34; *The Economist online*, <http://www.economist.com/blogs/graphicdetail/2012/10/daily-chart-10>, (accessed September 4, 2016); Harriette Alexander, "Mexico's most wanted: Which drug lords have been captured under Enrique Peña Nieto?", *Telegraph.co.uk*, October 1, 2015, <http://www.telegraph.co.uk/news/worldnews/centralamericaandthecaribbean/mexico/11449919/Mexicos-most-wanted-Which-drug-lords-have-been-captured-under-Enrique-Pena-Nieto.html>, (accessed September 4, 2016).

Administration.¹⁰ His predecessor, President Calderon, removed twenty-five of the thirty-seven traffickers from the Attorney General's most wanted list.¹¹ The recapture of Kingpin Joaquin Guzman Loera in 2016 marked the 33rd on the list.¹² By the end of Calderon's term in December 2012, all of the cartels experienced major arrests or losses that appeared to compromise their operations or at least their relative freedom from competition.¹³ HVT is successful in at least the context of breaking down the four major cartels into several splinter organizations and decentralizing their hierarchical structure.

The DEA states that since December 2006, the Calderon government arrested a number of high-level drug traffickers, and in 2007 extradited an unprecedented eighty-three criminals, including the kingpin of the Gulf Cartel, Osiel Cardenas-Guillen.¹⁴ The acting administrator of DEA stated that "The arrests of Mexican cartel leaders Hector Beltran-Leyva (from the Beltran Leyva organization), Servando Gomez-Martinez (from La Familia Michoacana), and Omar Trevino Morales (from Los Zetas) are significant successes for the U.S. and Mexico in the fight against Mexican TCOs."¹⁵

¹⁰ Presidencia de la Republica, "Palabras presidente EPN, en Inauguracion de las Instalaciones del 12 Regimiento de Caballeria Motorizado y su Unidad Habitacion Militar," Official government blog, (Mexico City, July 12, 2016), <https://www.gob.mx/presidencia/prensa/palabras-presidente-epn-en-inauguracion-de-las-instalaciones-del-12-regimiento-de-caballeria-motorizado-y-su-unidad-habitacional-militar>.

¹¹ Ken Ellingwood, "Mexico Offers \$2 million for top drug lords," *Los Angeles Times*, March 23, 2009; Mexican Attorney General's Office, Official List of Most Wanted, March 23, 2009, <http://www.pgr.gob.mx/normatec/Documentos/a-123-09.pdf>; Wikipedia, "*List of Mexico's 37 most-wanted drug lords*."

¹² Edgar Gonzalez Jr., "On Drugs and Cartels: History and Strategy," *Harvard Political Review*, The Americas section, April 9, 2016. <http://harvardpolitics.com/world/cartels/>.

¹³ Shirk and Joel Wallman, "Understanding Mexico's Drug Violence," 1362.

¹⁴ U.S. Department of Justice, Drug Enforcement Administration, *History of DEA from 2003-2008- The Rise of Traffickers in Mexico*, (Washington DC: Government Printing Office), 161.

¹⁵ U.S. Department of Justice, Drug Enforcement Administration, *2015 National Drug Threat Assessment Summary*, Letter from acting administrator of DEA, Chuck Rosenberg, (website accessed 17 September 2016): page iii.

However, the Office of National Drug Control Policy (ONDCP) recognizes eight Mexican trafficking groups still have a dominant presence in various areas within Mexico—Sinaloa, Los Zetas, Gulf, Juarez, Beltran-Leyva Organization, la Familia Michoacana, Los Caballeros Templario, and Cartel de Jalisco Nueva Generacion (CNJG), all of which lost at least one senior leader through HVT since 2006.¹⁶ If the HVT strategy is effective, how are these groups still able to move most of the drugs into the United States? The rationale for HVT was that the removal of the head of a trafficking organization would impair that group’s effectiveness, since that person ascends to leadership by virtue of his skills in the drug trafficking business.¹⁷ Accordingly, removing the leader from his position should reduce the group’s competence. Even if the leader occupies that position for other reasons than his skill, the decision-making should be temporarily affected because most of these organizations are hierarchical in structure. But none of the above assumptions proved to be correct.

The HVT strategy likely created more groups by causing them to temporarily fragment, but several factors helped these groups regenerate. First, the succession plan of the traffickers was quick and seamless to fill leadership voids. The strong familial relationship within many organizations helped alleviate any long-term delays in leadership voids. For example, Mexican Marines killed Kingpin Arturo Beltran Leyva in 2009. His brother Hector became the de-facto leader to replace Arturo because of his familial relationship. The group’s operations continued to smuggling drugs because it

¹⁶ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 2.

¹⁷ Shirk and Joel Wallman, “Understanding Mexico’s Drug Violence,” 1364.

also had a deep pool of experienced successors to take over the leadership role.¹⁸ The Sinaloa Cartel is another example of how a deep pool of familial successors assists in revitalizing the group following successful HVT operations.¹⁹ Despite capturing the most wanted Kingpin, Joaquin Guzman Loera, in 2014, and re-capturing him in 2016 following his escape from prison, the cartel remains powerful because it is now under the direction of Guzman Loera's sons.²⁰ The trafficking groups may lose their senior leaders, but for the most part, someone is next in line to quickly take over the head of the organization, undermining the first part of the HVT strategy to neutralize leadership.²¹

Parallel to the seamless transition because of familial ties is a deep pool of capable leaders that can replace eliminated HVT targets. Because these groups operated for such a long time with impunity, there was a deep pool of experienced successors waiting in the wings to take over the operations. One example is when Mexico City extradited Osiel Cardenas Guillen, Gulf Cartel leader, to the United States in 2007. Prior to his capture, he groomed both Heriberto Lazcano Lazcano and Eduardo Costilla Sanchez as heirs to the organization. Lazcano Lazcano eventually split from the Gulf Cartel and later became leader of Los Zetas because he already understood the trafficking business.²² Both groups suffered several leadership losses in the past decade,

¹⁸ Sylvia Longmire, *Cartel: The Coming Invasion of Mexico's Drug Wars* (New York: Palgrave Macmillan, 2011), 18.

¹⁹ Kirk J. Durbin, "International Narco-Terrorism and Non-State Actors: The Drug Cartel Global Threat," *Global Security Studies*, Volume 4, Issue 1 (Winter 2013): 18.

²⁰ Drug Enforcement Administration, *Dozens of Alleged Members of Sinaloa Cartel Charged; List Includes Kingpin "El Mayo," His Sons and other Top Leaders*, January 16, 2015; Azam Ahmed, "El Chapo, Escaped Mexican Drug Lord, Is Recaptured in Gun Battle," *The New York Times*, January 8, 2016.

²¹ Grayson, "Mexico's struggle with 'drugs and thugs'," 79.

²² Georg W. Grayson, *Mexico Narco-Violence and a Failed State?* (New Brunswick USA: Transaction Publishers, 2010), 181; Durbin, "International Narco-Terrorism and Non-State Actors: The Drug Cartel Global Threat," 19.

particularly Los Zetas, which the Calderon administration deemed enemy number one, but which manages to maintain drug operations.

Manpower is not a problem because retention remains stable and there is a healthy pool of potential recruits, even from military deserters or veterans.²³ Since roughly 2002, Mexico became not just a transit country but also a consumer country with more traffickers involved. Thus attrition is not an issue for these groups.²⁴ Although the exact number of drug traffickers is unknown, the U.S. intelligence community estimates 450,000 people work in one or more facets of Mexico's drug sector.²⁵ Retailing requires a much larger number of associates and requires developing complex networks that strengthen the troops and might of the criminal organizations.²⁶ Mexican trafficker recruitment mediums range from "narco banners" to actively engaging in the use of social media, specifically Facebook.²⁷ Los Zetas openly recruited through a "narco banner" hung across Nuevo Laredo's Avenida Reforma reading "Los Zetas wants you, soldier or ex-soldier. We offer a good salary, food and attention for your family."²⁸ Traffickers promote the narco-culture, particularly to the younger generations who envision Mexican trafficking groups as an aspirational model, often referring to their criminal organization as "the enterprise" to indicate legitimacy and an alternative for the working class to get out of poverty.²⁹ Female teenage recruits are a growing trend in

²³ Grayson, *Mexico Narco-Violence and a Failed State?*, 156.

²⁴ Laura Villagran, "As Mexico's traffickers ship drugs north, they leave addicts in their wake," *The Christian Science Monitor*, January 25, 2013; Mexico's National Council Against Addiction (CONADIC), *2011 Statistical report on drug addictions*, http://www.conadic.salud.gob.mx/pdfs/ENA_2011_DROGAS_ILICITAS_.pdf.

²⁵ Grayson, *Mexico Narco-Violence and a Failed State?*, 254.

²⁶ Calderon, "Drug Trafficking and Organized Crime, connected but different," 52-56.

²⁷ Ana L. Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," *Journal of Strategic Security*, Volume 9, No. 3, Special Issue Fall 2016: Emerging Threats, Article 5: 58.

²⁸ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 116.

²⁹ Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," 61, 64.

trafficking organizations, used as a *halcone*, or a lookout for Los Zetas.³⁰ Drug trafficking, as an industry, is not losing members even though the repercussions with HVT should make it less appealing. Rather, there seems to be a never-ending supply of men willing to take the place of the dead or jailed.³¹ Moreover, the traffickers are expanding the recruitment pool to a non-traditional demographic, women, and legitimizing the activity to the youth who have few options and view the cartels as successful, two factors which will increase recruitment.³²

Finally, previous rival cartels pooled resources to remain viable by allowing access to drug routes and/or security and weapons assistance. Alliances are what the cartels use to keep the drug supply chain moving. Cartels that have been bitter rivals for years often join forces to wage war against mutual, usually more powerful, enemies. For example, the Beltran Leyva Organization (BLO) split from the Sinaloa Cartel in 2008 and aligned with the Sinaloa Cartel's rival, the Gulf Cartel and Los Zetas.³³ This new alliance extended BLO's access along the U.S.-Mexico border to include Tamaulipas state.³⁴ Social media accounts of the BLO and the Gulf Cartel indicate there is now a strategic alliance between them to eliminate a mutual rival, Los Zetas, from the north of Mexico.³⁵ This alignment allowed the BLO to continue moving drugs across the U.S. - Mexico border.³⁶ The Gulf cartel entered into a temporary alliance with the Sinaloa Cartel in 2010, to stave off a mutual enemy, Los Zetas. The strategy of creating

³⁰ Ibid., 62.

³¹ Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security*, 25.

³² Durbin, "International Narco-Terrorism and Non-State Actors: The Drug Cartel Global Threat," 27.

³³ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 115.

³⁴ Ibid., 116.

³⁵ Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," 67.

³⁶ Longmire, *Cartel: The Coming Invasion of Mexico's Drug Wars*, 17.

alliances, even with former enemies, is prevalent among all trafficking groups in Mexico since it provides weakened groups an opportunity to recuperate from setbacks. The potential long-term benefits of regaining access to drug acquisition, drug movement into Mexico and across the border into the United States, security assistance, and manpower, outweighs the temporary emotional drawback of working with a former rival.

The result of these factors points to the first deficiency of the HVT strategy; drug trafficking groups are not attriting, but regenerating after leadership removals and continuing to challenge the rule of law. All of these factors allowed the almost uninterrupted cocaine supply into Mexico with final destinations in the United States, and a continuous funding stream from drug proceeds.

Chapter 4

Relevant Cases

One example of how HVT fails to reduce the group's competence is the Cartel Jalisco Nueva Generacion (CJNG). Despite the capture of top leaders, the CJNG, under the leadership of Nemesio Oseguera Ramos, appears set to continue expanding.¹ The CJNG emerged after the Mexican Navy killed Kingpin Nacho Coronel Villarreal in 2010.² The removal of Coronel Villarreal, the former leader of the Jalisco Cartel that now calls themselves the CJNG, was a "crippling blow" to his organization.³ Coronel Villarreal collaborated with Joaquin Guzman Loera's faction of the Sinaloa cartel and was considered the number two in command of the Sinaloa Federation in 2010.⁴ The scope of Coronel Villarreal's influence and operations penetrate throughout the United States, Mexico and several European, Central American and South American countries.⁵ His group had a robust logistics network that purchased and supplied multi-ton loads of cocaine directly from Colombia.⁶ Additionally, he oversaw the organization's methamphetamine operations from super-labs in Michoacán and Jalisco state that also shipped through Nogales, Arizona, New Mexico, and Texas.⁷

¹ Insight Crime, "Cartel Jalisco Nueva Generacion," *Insight Crime, Investigation and Analysis of Organized Crime* <http://www.insightcrime.org/mexico-organized-crime-news/jalisco-cartel-new-generation>, November 16, 2017.

² Ibid.

³ George W. Grayson, *The Cartels: The Story of Mexico's Most Dangerous Criminal Organization and their impact on U.S. security* (California: Praeger, 2014), 68; Christopher Woody, "Mexican official says that one of Mexico's most powerful cartels is expanding into territory just across the US border," *The Business Insider*, March 28, 2016. <http://www.businessinsider.com/jalisco-cartel-fighting-for-control-of-tijuana-2016-3> (accessed January 3, 2017.)

⁴ Grayson, "Mexico's struggle with 'drugs and thugs'," 76; Longmire, *Cartel: The Coming Invasion of Mexico's Drug Wars*, 112.

⁵ Grayson, *Mexico Narco-Violence and a Failed State?*, 68.

⁶ Ibid., 68.

⁷ Grayson, *Mexico Narco-Violence and a Failed State?*, 68.

The FBI considered the Jalisco cartel one of the most powerful drug-trafficking organizations in Mexico with access to the Nogales, Sonora key entry point into the United States.⁸ They temporarily lost access following the death of Coronel Villarreal, but the CJNG regained access to critical drug nodes along the U.S. South West Border (SWB) by allying with Tijuana Cartel, which operates across from the San Diego Port of Entry in Tijuana, Mexico.⁹ The U.S. Department of the Treasury's Office of Foreign Assets Control recently sanctioned nine individuals linked to the group, adding to the previous sanctions from 2015 and underscoring the revival of the organization.¹⁰ As a result of these sanctions, all assets of these groups and individuals that are based in the United States or in the control of U.S. persons, are frozen, and U.S. persons are generally prohibited from engaging in transactions with them.¹¹ Despite these sanctions, the group appears to be growing rapidly in territory now operating in eight states plus the Federal District.¹² The cartel allegedly has contacts in Colombia, Peru, Bolivia, Central America, and the United States, and uses these connections to traffic marijuana, cocaine, and synthetic drugs.¹³ The diversity of drug sales likely keeps the group financially stable.

Returning to the issue of how groups can regenerate and gain access to weapons, the CJNG is one of the most violent organizations that continually challenges the rule of

⁸ Grayson, *Mexico Narco-Violence and a Failed State?*, 68.

⁹ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 2; Christopher Woody, "Mexican official says that one of Mexico's most powerful cartels is expanding into territory just across the US border," *Business Insider*, March 28, 2016. <http://www.businessinsider.com/jalisco-cartel-fighting-for-control-of-tijuana-2016-3>, (accessed January 3, 2017.)

¹⁰ Targeted News Service, *Treasury Sanctions Individuals Supporting Powerful Mexico-based Drug Cartels*, October 27, 2016.

¹¹ U.S. Department of the Treasury, *Treasury Sanctions two Major Mexican Drug Organizations and two of their leaders*, April 8, 2015.

¹² Grayson, *Mexico Narco-Violence and a Failed State?*, 68.

¹³ *Ibid.*, 68.

law by attacking Mexican security forces. In 2015, the CJNG killed 15 Mexican police officers during an ambush in Jalisco state, killed five federal police, and shot down a military helicopter killing 5 soldiers.¹⁴ The group possesses highly sophisticated armament, and machine guns and grenade launchers to conduct these attacks.¹⁵ The CJNG is linked to the manufacturing of weapons, which is a new trend that most likely will cut back the cost of purchasing firearms from the United States.¹⁶

The leader of CJNG is now on the DEA's most wanted list of fugitives, and Mexico made capturing him its highest priority because of the violent actions perpetrated under his leadership.¹⁷ The DEA considered CJNG Mexico's number one drug trafficking threat because it regenerated by having a quick line of succession, a deep pool of capable replacements, and leveraging alliances to offset its losses.¹⁸

Let us now consider the BLO, once one of Mexico's most powerful groups, capable of having many top members of the Mexican government on its payroll in 2005. Corrupt officials included members of the National Investigative Agency and the country's drug czar, Noe Ramirez Mandujano, who was jailed for allegedly receiving \$450,000 per month from the organization, but the charges were thrown out in April

¹⁴ Insight Crime, "Challenging the State a Poor Strategy for Mexico's Jalisco Cartel," *Insight Crime, Investigation and Analysis of Organized Crime*, <http://www.insightcrime.org/news-briefs/challenging-state-a-poor-strategy-for-mexico-jalisco-cartel>, November 16, 2017.

¹⁵ Insight Crime, "Cartel Jalisco Nueva Generacion," *Insight Crime, Investigation and Analysis of Organized Crime*, <http://www.insightcrime.org/mexico-organized-crime-news/jalisco-cartel-new-generation>, November 16, 2017.

¹⁶ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 9.

¹⁷ Alberto Najar, "El Mencho, el hombre mas buscado en Mexico," *BBC Mundo*, May 20, 2015. http://www.bbc.com/mundo/noticias/2015/05/150520_nemesio_oseguera_mencho_mas_buscado_mexico_an, (accessed January 3, 2017.)

¹⁸ U.S. Department of Justice, Drug Enforcement Administration, *Most Wanted Fugitives*, 2016, <https://www.dea.gov/fugitives.shtml>.

2013, which further shows the extent of corruption.¹⁹ The four Beltran Leyva brothers imported large amounts of cocaine from Colombia into Mexico and into Arizona.²⁰ Having four brothers working in the drug trade almost guaranteed a quick succession to fill any leadership void, as well as a strong knowledge base of all facets of the drug trade.

The first setback for the group was the arrest of Alfredo Beltran Leyva in 2008. The founder and leader of the group was in charge of transporting drugs from the Mexicali-Calexico border crossing into the United States, money laundering, and the assassination squad.²¹ Since then, numerous arrests and murders weakened the BLO, although it managed to retain a presence in some areas because of its alliances with local gangs and larger organizations like the Zetas.²² Following the death of Arturo Beltran Leyva, the group split into two factions, one led by Arturo's brother Hector Beltran Leyva and the other by Edgar Valdez Villarreal.²³ Valdez Villarreal, a former protégée of Arturo Beltran Leyva, quickly moved through the ranks from enforcer to eventually succeeding as a trafficker. He used his gang connections to build his organization and because the cartels are in a period of warfare his enforcer credentials may have helped him rise to the top.²⁴ At the time of his arrest in 2010 he was considered the highest ranking member of the group and had connections in Panama and Colombia to move

¹⁹ Insight Crime, *Beltran Leyva Organization*, *Insight Crime, Investigation and Analysis of Organized Crime*, <http://www.insightcrime.org/mexico-organized-crime-news/beltran-leyva-mexico>, November 16, 2017; Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 128.

²⁰ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 80.

²¹ *Ibid.*, 113.

²² Insight Crime, "Beltran Leyva Organization," *Insight Crime, Investigation and Analysis of Organized Crime*, <http://www.insightcrime.org/mexico-organized-crime-news/beltran-leyva-mexico>, November 16, 2017.

²³ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 209.

²⁴ *Ibid.*, 213.

drugs into Mexico.²⁵ The U.S. Treasury Department claimed in November 2013 that the BLO was seeing a resurgence.²⁶ Although all the Beltran-Leyva brothers have now been killed or arrested, remnants of their loyalists continue to operate independently in various regions of Mexico. The BLO relies on its alliances with the Juarez Cartel and Los Zetas for access to drug smuggling corridors along the SWB.²⁷

These cases illustrate how HVT successes alone are not sufficient to degrade the cartels' ability to regenerate. HVT successes removed some high-profile traffickers, fractured some of the monolithic groups, and forced succession which led to inter and intra-cartel violence, an unintended consequence of an HVT strategy.²⁸ The high levels of violence, however, represent another deficiency in the HVT strategy, since the first goal was to reduce the trafficker's capability to challenge the rule of law.

Violence in Mexico, the vast majority of which is linked to organized crime, rose to 14,549 deaths for the first eight months of the year, an eighteen percent increase over the same period the year earlier.²⁹ While the homicide rate fluctuated from its peak of twenty-four murders per 100,000 inhabitants in 2014, the trend shows a rebound in overall murder rates. Central American countries do not fare much better. Honduras' per capita murder rate remains the highest for Central American countries at 60 per 100,000

²⁵ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 198.

²⁶ Insight Crime, "Beltran Leyva Organization," *Insight Crime, Investigation and Analysis of Organized Crime*, <http://www.insightcrime.org/mexico-organized-crime-news/beltran-leyva-mexico>, November 16, 2017.

²⁷ U.S. Department of Justice, Drug Enforcement Administration, *2016 National Drug Threat Assessment Summary*, 5.

²⁸ Felbab-Brown, *Calderon's Calderon: lessons from Mexico's Battle Against Organized Crime and Drug Trafficking in Tijuana, Ciudad Juarez, and Michoacán*, 37.

²⁹ Hanna' Tameez, "Mexico Grapples With a Rise in Killings," *The Wall Street Journal*, September 25, 2016.

inhabitants in 2015 and most murders are attributed to organized crime.³⁰ Many leaders, particularly Honduras President Juan Orlando Hernandez, now focus on the reduction of violence.³¹ The HVT strategy, implemented to reduce the trafficking group's ability to challenge the rule of law, expanded into a violence-reduction strategy.

This strategy redirect suggests that HVT failed to account for the underlying causes for the trafficker's power, the most important of which is drugs. The common source of the regeneration of the drug traffickers stems from the profitability of traffickers and selling drugs. The uninterrupted funding stream allows the traffickers to purchase more cocaine and reduce the cycle of regeneration. The continuity and stability of the business keeps it attractive to new recruits, increases retention to develop new leaders, and gives them experience to eventually move up the chain in the organization.³² Moreover, the drug proceeds offer the purchasing power needed to buy off civilian employees, government institutions, and elected officials, which undermines the second part of Calderon's strategy: the cleaning of police and judicial institutions.

³⁰ Micheal Lohmuller and Steven Dudley, "Appraising Violence in Honduras: How Much is 'Gang-Related'?", *Insight Crime, Investigation and Analysis of Organized Crime*, May 18, 2016.

³¹ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 90.

³² Stratfor, "Mexican Cartels: Cartel Jalisco Nueva Generacion," Stratfor, April 4, 2013, https://www.stratfor.com/video/mexican-cartels-cartel-de-jalisco-nueva-generacion?0=ip_login_no_cache%3D1617cc40f5a1746dbbb0e48ef0fe74e9, (accessed September 4, 2016).

Chapter 5

Cocaine Interdiction Efforts: The Resources

The emphasis on HVT targeting—wearing down the enemy through the loss of manpower, comes at the expense of a cocaine interdiction strategy—reducing the resources. A major source of the drug traffickers’ funding is derived from cocaine sales, which remains abundant and enables the groups to regenerate from HVT removals. We need both approaches to fight this war of attrition.

Mexican drug traffickers continue to move large amounts of cocaine into the United States, despite a decade of successful HVT conducted in Mexico, and HVT was employed to a lesser extent, in some Central American countries.¹ Since 2006, the year Mexico started its HVT campaign, cocaine shipments available to enter the United States increased by roughly 44%.² Drug trafficking groups continue to fund themselves through the continuous flow of drug proceeds that return from the United States. This uninterrupted funding stream allows the traffickers to purchase more cocaine loads, to corrupt officials who facilitate trafficking, to attract new recruits and develop new leaders, and to purchase weapons used to defend themselves against security forces.³

Although Calderon did not launch a “war on drugs,” he did point out the relationship between cocaine and instability in his country.⁴ Bringing in more cocaine

¹ U.S. Office of the Director of National Intelligence, National Intelligence Council, *Memo: The Threat to U.S. National Security Proposed by Transnational Organized Crime*; David Gagne, “Grading Honduras President’s Security Performance,” *Insight Crime, Investigation and Analysis of Organized Crime*, February 12, 2016.

² U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016).

³ Stratfor, “Mexican Cartels: Cartel Jalisco Nueva Generacion,” Stratfor, April 4, 2013, https://www.stratfor.com/video/mexican-cartels-cartel-de-jalisco-nueva-generacion?0=ip_login_no_cache%3D1617cc40f5a1746dbbb0e48ef0fe74e9, (accessed September 4, 2016).

⁴ Calderon, “Drug Trafficking and Organized Crime, connected but different,” 52-56.

will continue this cycle of growing criminal organizations that in turn wreak havoc on the society and its institutions through extortion and bribes.⁵ Eventually collapsing the community, causing instability and anarchy.

A key strategic factor is one in which the success of the strategy potentially rises or falls.⁶ Cocaine interdiction is one of those critical factors that can exert a strategic effect on these powerful drug trafficking and TOC organizations. At a minimum, it may help reduce these enormous profits, which directly supports the end state of the Presidential U.S. strategy against TOC: breaking the economic power of these groups and depriving them of their enabling means. It may even help protect United States interests, such as promoting prosperity and security in the Western Hemisphere, as stated in the last National Security Strategy.⁷

As previously stated, greater frequency and amounts of cocaine interdiction will deprive the traffickers of maximizing profit. Mexican drug traffickers purchase a kilogram of cocaine for only \$1,200-\$2,500 but sell it for \$32,000-\$55,000 to distributors in major U.S. cities, roughly a 2,500% profit.⁸ Though that figure does not account for overhead costs incurred transporting the cocaine shipments to the United States, it is a business model of selling cocaine at over 10 times the cost of acquisition.⁹ Therefore,

⁵ Calderon, "Drug Trafficking and Organized Crime, connected but different," 52-56.

⁶ Harry R. Yarger, "The Strategic Appraisal: The Key to Effective Strategy," *U.S. Army War College Guide to National Security Issues*, Volume I, Strategic Studies Institute (2008): 56.

⁷ U.S. President, *The National Security Strategy*, (Washington DC: Government Printing Office, February 2015), 27.

⁸ El Paso Interdiction Center, "Cocaine Seizures along the SWB from CY 2006 to 2016," *National Seizure Statistics database*, Drug Enforcement Administration; Grillo, *El Narco, Inside Mexico's Criminal Insurgency*, 83

⁹ Scott Stewart, "Mexico's Cartels and the Economics of Cocaine," *Stratfor Security Weekly*, January 3, 2013.

interdicting these shipments before they reach the U.S. market will deprive the drug traffickers of these large drug proceeds.

One example of this denial occurred in March 2007, when the DEA and U.S. Coast Guard announced the record maritime seizure of 19 metric tons of cocaine on-board the motored vessel *Gatun*, off the coast of Panama. According to the DEA, "This record-breaking seizure denied the Mexican drug lords \$300 million in drug revenue."¹⁰ Then, in October 2007, Mexican officials seized 11.7 metric tons of cocaine in the port of Tampico, off the Gulf of Mexico. A month later, Mexican authorities seized 23 metric tons of cocaine in the port of Manzanillo, Mexico's largest seizure of the drug in the country's history. U.S. Ambassador to Mexico Antonio Garza put the value of the seizure at \$400 million, but U.S. law enforcement estimated the value to be around \$2.7 billion because the average price of the drug on U.S. streets had risen to \$118.70 per gram in the first six months of the year.¹¹ The sheer volume of cocaine removed from the supply chain in a short period of time resulted in the price of cocaine increasing in the United States, indicating interdiction temporarily disrupted the supply chain.

Second, interdicting cocaine loads closer to the source zone of South America, before they reach Central America or Mexico, will deprive funds to drug traffickers who sell the product, logisticians who move the product into and through the region, and corrupt officials who turn a blind eye to both these activities. Nearly eighty percent of

¹⁰ Drug Enforcement Administration News Release, Coast Guard Make Record Maritime Cocaine Seizure, March 21, 2007; <https://www.dea.gov/pubs/states/newsrel/wdo032107.html>; DEA Website, Historical perspective 2003-2008.

¹¹ Mexican Police Seize Record Cocaine Shipment Worth \$2.7 Billion, Associated Press, November 6, 2007, <http://www.foxnews.com/story/2007/11/06/mexican-police-seize-record-cocaine-shipment-worth-27-billion.html>; James C. McKinley Jr., "Mexico Tries to Show Resolve With Big Drug Seizure," *The New York Times*, November 29, 2007.

the total ninety-five percent of cocaine leaving South America for the United States stops first in a Central American country before onward shipment to Mexico.¹²

Drug Traffickers Who Buy and Sell the Product

Interdicting cocaine loads closer to the source zone reduces the profit traffickers receive before it matures to retail value because the price of cocaine increases the closer the shipment gets to the U.S.-Mexico border.¹³ A kilo of cocaine can be purchased for \$2,200 in Colombia, but the price increases considerably once it leaves the production area, and is transported closer to consumption markets. In Central America cocaine sells for \$10,000 per kilo; in southern Mexico the price increases to \$12,000; near the border towns in Mexico roughly \$16,000 per kilo or up to \$28,000.¹⁴ Removing cocaine early on in the supply chain will have a greater influence on the traffickers “buying power.”

Mexican traffickers make money by moving cocaine through the *plaza* system in Mexico. This term is used to refer to the jurisdiction of a particular police authority, but today traffickers appropriated the term *plaza* to mean the valuable real estate of a particular trafficking corridor. In each *plaza* a leader emerged who would coordinate the traffic and negotiate police protection. The *plaza* head could move both his own drugs and tax anyone else who smuggled through his corridor. The kickbacks would go to the police or soldiers who allowed them to operate with impunity.¹⁵ Because Mexican

¹² Farah, “Central America’s Northern Triangle: A Time for Turmoil and Transitions,” 90.

¹³ Stewart, “Mexico’s Cartels and the Economics of Cocaine,” *Stratfor Security Weekly*, January 3, 2013; Patrick Radden Keefe, “Cocaine Incorporated,” *New York Times*, June 15, 2012. http://www.nytimes.com/2012/06/17/magazine/how-a-mexican-drug-cartel-makes-its-billions.html?_r=0, (accessed on September 4, 2016).

¹⁴ El Paso Interdiction Center, “Cocaine Seizures along the SWB from CY 2006 to 2016,” *National Seizure Statistics database*, Drug Enforcement Administration; Scott Stewart, “Mexico’s Cartels and the Economics of Cocaine,” *Stratfor Security Weekly*, January 3, 2013.

¹⁵ Grillo, *El Narco, Inside Mexico’s Criminal Insurgency*, 53; Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 57.

traffickers imported their business model from parts of Central America, it suggests they use a similar taxing system throughout Central America.¹⁶ Los Zetas moved into Guatemala in 2006, took over territory, and started taxing drugs moving through that area.¹⁷ Not only taxing but warehousing the product pays; a trafficker in the 1980's in the Ojinaga *plaza* in Chihuahua, received \$1,000-1,500 to hold the cocaine prior to shipment across the border.¹⁸ The strategic importance of these critical territorial trafficking nodes stems from the profit traffickers earn from the movement and storage of drugs through these nodes as well as corrupt officials who enable this activity. As previously discussed, the closer these nodes are to the U.S.-Mexico border the more profitable they are. Removing the cocaine shipments before they arrive at the most lucrative nodes will curtail some of the trafficker's "buying power."

Mexican traffickers also make money from cocaine retail-level sales. The same is true for the Central American traffickers, but not much is known about this burgeoning market, except that some gangs are increasing their role as smuggling specialists and receiving payment-in-kind for their protection service.¹⁹ The advantage of receiving the payment-in-kind instead of cash is that the traffickers can sell the drugs on the street for greater gain, since they set prices, and build their own distribution networks.²⁰ As the gangs' income increases from this lucrative business, so does their ability to buy weapons.²¹ For example, the Arellano Felix organization set up *tienditas*, little drug

¹⁶ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 129.

¹⁷ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 98.

¹⁸ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 98.

¹⁹ Farah, "Central American Gangs: Changing Nature and New Partners," 60.

²⁰ Grillo, *El Narco, Inside Mexico's Criminal Insurgency*, 83.

²¹ Farah, "Central American Gangs: Changing Nature and New Partners," 60.

shops that enable Tijuana to develop the highest level of drug use in the country.²² There are roughly forty gangs operating in Acapulco involved in retail-level drug sales.²³ Removing the product before it arrives to the street level traffickers will deprive them of funds, by not receiving the “taxes” for allowing the cocaine to pass through their plaza and from the loss of retail-level sales. Interdictions will reduce stress on communities addicted to cocaine, but may cause short-term increases in instability.

Logisticians, Product Movement, and Corruption

Cocaine is not produced in Mexico or Central America, only in South America.²⁴ Therefore, traffickers need a robust transportation and logistics network to move the commodity from the production zone to its customer base in the United States, and corrupt officials to ensure this movement occurs with minimal losses. The groups use a sophisticated logistical network to move almost seventy-five percent of all documented U.S. bound cocaine on go-fast vessels in 2013.²⁵ These logisticians, such as pilots who fly illicit aircraft carrying multi-hundred kilos of cocaine from South American to Honduras, also make money through each transaction.²⁶ A reduction in cocaine movement from interdiction will affect the logistician’s profit and “buying power” as

²² Grillo, *El Narco, Inside Mexico’s Criminal Insurgency*, 86.

²³ Jason McGahan, “Acapulco: Tourist Mecca and Cartel Murder Capital,” *The Daily Beast*, March 5, 2016.

²⁴ Stewart, “Mexico’s Cartels and the Economics of Cocaine,” *Stratfor Security Weekly*, January 3, 2013; Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, (Washington DC: Government Printing Office, 2013), 2.

²⁵ Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, (Washington DC: Government Printing Office, 2013), 5.

²⁶ Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, (Washington DC: Government Printing Office, 2013), 8.

well. These logisticians need to maneuver in, through and around the state, and often rival organizations caused them to rely heavily on corrupt officials.²⁷

Criminal groups are ascendant throughout Central America because they are flush with increasing resources, political protection, and access to law enforcement.²⁸ The increasing resources, partially derived from cocaine trafficking, allow the criminal groups to exercise economic and political influence over local and national governments to ensure their business operations, and political power through the exchange of goods and services.²⁹ Such transactions include the right of passage for cocaine loads in exchange for cash or payment-in-kind. This transactional activity is vital for the trafficking groups because they need to move product along a transnational supply chain that must either co-opt or evade the state. Drug trafficking leaders also acquired massive land holdings and even provided social and economic services to citizens who lived on the land or in adjacent villages. Such community “charity” helps build a social network that acts as an early warning system to protect traffickers from surprise raids.³⁰ Eventually, these groups use the illicit funds to further develop infrastructure, by buying more tracts of land that provides places to warehouse cocaine and facilitates money laundering activities. Removing the trafficker’s “buying power” earlier in the cocaine cycle could reduce their ability to “buy” public institutions’ services and populace support, and to establish such community charities, writ large, reducing the attractiveness of the business.

²⁷ Farah, “Central America’s Northern Triangle: A Time for Turmoil and Transitions,” 91.

²⁸ *Ibid.*, 89.

²⁹ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 18; Calderon, “Drug Trafficking and Organized Crime, connected but different,” 52.

³⁰ Farah, “Central America’s Northern Triangle: A Time for Turmoil and Transitions,” 93.

The cooption or corruption of TOC actors, many controlled by Mexican drug trafficking groups in Central America, debilitated the government's authority and the governments are now facing a crisis of legitimacy.³¹ While the exact amount of money drug traffickers spend to corrupt officials is unknown, drug traffickers are believed to spend millions of dollars in bribery.³² The proceeds of cocaine sales destabilizes a state politically and socially by acting as a surrogate to the legitimate government.³³

Tepid Historical Commitment to Interdiction

By the late 1970's, Colombia's Cali and Medellin Cartels made South Florida their number one destination for cocaine exports. The United States started cracking down on the Colombian cocaine trade in the early 1980's. The South Florida Task Force, formed in 1982, responded to the threat by spearheading the interdiction of cocaine shipments to Florida and other Southeast states. This pressure, combined with *Plan Colombia*, and U.S. assistance to increase Colombia's counterdrug capabilities, forced Colombian traffickers to pursue new corridors to the United States.³⁴ One of the consequences of successful interdiction operations is called the "balloon effect." Just as pressure from squeezing on a balloon causes one side to increase, so does trafficking activity increase in one vector based on pressure from security forces in another.

Traffickers almost certainly look for the path of least resistance. Central America and

³¹ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 90; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2016 International Narcotics Control Strategy Report: Country of Guatemala*.

³² Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 15.

³³ Durbin, "International Narco-Terrorism and Non-State Actors: The Drug Cartel Global Threat," 21.

³⁴ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 60.

Mexico became their preferred thoroughfares.³⁵ They need to operate with impunity or have a pool of government officials amenable to bribery to facilitate their operations; Central America and Mexico meet these requirements. Because cocaine interdiction efforts are inconsistent, maritime and land corridors through Central America and Mexico, particularly Honduras and Guatemala, continue to be the major transit routes for cocaine from South America bound for the United States.³⁶

Cocaine interdiction from the Mexican perspective is not a primary focus historically. Mexico's Institutional Revolutionary Party (PRI) Government, which held control for roughly seventy years, made deals with drug trafficking organizations and therefore was not going to enforce drug interdiction.³⁷ In fact, the armed forces, which were loyal to the PRI, were just as involved in protecting traffickers, especially at the regional or zonal commander level.³⁸ PRI officials were not exactly the cleanest, but they were pragmatic and had several regional arrangements with various Mexican cartels, largely ignoring drug trafficking activity in exchange for financial compensation.³⁹ Under the Ernest Zedillo administration, from 1994-2000, the United States provided Mexico with surveillance equipment on anti-drug initiatives but there was little to show from interdiction and seizures.⁴⁰ The drug trafficking "system" was so ingrained into the

³⁵ Grayson, *The Cartels: The Story of Mexico's Most Dangerous Criminal Organization and their impact on U.S. security*, 40, 50; Plan Colombia, Fact Sheet on Plan Colombia, *Council on Foreign Relations*, March 28, 2000.

³⁶ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Mexico*; U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Honduras*.

³⁷ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 145.

³⁸ Grayson, *The Cartels: The Story of Mexico's Most Dangerous Criminal Organization and their impact on U.S. security*, 23.

³⁹ Longmire, *Cartel: The Coming Invasion of Mexico's Drug Wars*, 112.

⁴⁰ Wat and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 138.

culture of all institutions that even a change of political party could not change this paradigm. Vicente Fox Quesada was elected President in 2000 from the National Action Party (PAN), though he did not make combatting drugs his number one objective either. His administration did arrest the Arellano Felix Organization's boss, Benjamin Arellano Felix in 2002, and the Gulf Cartel Kingpin Osiel Cardenas Guillen in 2003, but that was the extent of the PAN's effort to affect the drug trade.⁴¹ The drug traffickers continued business as usual; the new PAN government allowed them to consolidate control in the absence of a strong state, gain autonomy from the government, end their subordination, and focus on intimidating local authorities to ensure safe transit of their drugs.⁴²

President Calderon had some interdiction success early on in his administration, which he used as "further proof of his commitment to crippling drug lords and bringing them to justice," according to Garza.⁴³ The problem is that the commitment rapidly dwindled as it was applied to cocaine interdiction efforts, and the ramp up to HVT received most of the attention and funding.⁴⁴ Not only were most of the civilian law enforcement and intelligence agencies fully involved in the HVT campaign, but the Army was increasingly deployed to high-violence areas to conduct HVT operations. In 2009 alone, the army assigned 48,750 men to combat these drug organizations.⁴⁵ Additionally, the Navy were pulled away from their more traditional roles of maritime interdiction efforts toward HVT targeting. President Enrique Pena Nieto follows this position. These

⁴¹ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 78, 82.

⁴² Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 153.

⁴³ Grayson, "Mexico's struggle with 'drugs and thugs'," 57.

⁴⁴ Grayson, *The Impact of President Felipe Calderon's war on drugs on the armed forces: The prospects for Mexico's "Militarization" and Bilateral Relations*, xv, 3.

⁴⁵ Grayson, *The Impact of President Felipe Calderon's war on drugs on the armed forces: The prospects for Mexico's "Militarization" and Bilateral Relations*, 3.

actions underscore how HVT operations came at the expense of drug interdiction. Since 2006, Mexico's cocaine interdiction rates can only be described as paltry, ranging between 3-12 metric tons. An exception was the 2007 seizure of two large commercial container shipments, resulting in 46 metric tons. The timing of this anomaly, however, is suspect because it coincided with the Merida Initiative discussions, and Mexico may have trumpeted this success to showcase its efforts against traffickers.⁴⁶

Central American countries, for the most part, are constrained by limited maritime interdiction capabilities. According to the U.S. government, even the best performing country for cocaine interdiction, Panama, only seizes roughly two percent of cocaine.⁴⁷ Land interdiction throughout the region is historically low because traffickers break down the shipments into smaller parts and make it more difficult to seize the loads.

From the United States' perspective, maritime interdiction efforts remain challenged, but ONDCP recognizes that the maritime effort is especially valuable because larger quantities of cocaine can be removed from the supply chain, compared to smaller amounts interdicted later in the trafficking process.⁴⁸ The Joint Inter-agency Task Force South (JIATF South) is the Department of Defense (DoD) entity charged with integrating and synchronizing inter-agency counter-illicit trafficking operations in the Caribbean Sea, Gulf of Mexico, and the eastern Pacific.⁴⁹ According to the U.S.

⁴⁶ U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016); Grayson, "Mexico's struggle with 'drugs and thugs'," 57.

⁴⁷ U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016).

⁴⁸ Office of National Drug Control Policy, *National Drug Control Strategy*, (Washington DC: Government Printing Office 2015), 73.

⁴⁹ Joint Inter-agency Task Force South, website, <http://www.jiatfs.southcom.mil/About-Us/>, (accessed September 4, 2016).

government, maritime cocaine seizures since 2006 hovered between 8-17%, as calculated from the U.S. government's estimate of how much cocaine departed South America heading toward Central America and Mexico.⁵⁰ If the category of "other disruptions", such as jettisons or loss of conveyance/load, is included in the calculation, then the figures jump to between 15-27%. While seizure data fluctuates yearly, there appears to be an increasing trend in cocaine removals, which on the surface is a positive indicator. Yet, according to ONDCP, a major factor of the increased removals is increased coca production in Colombia and greater cocaine movement toward the United States.⁵¹

The greater cocaine flow was reflected in SWB cocaine seizures as well, with a twenty percent jump from 8.1 metric tons in 2014 to 9.7 metric tons in 2015, according to ONDCP.⁵² The National Seizure Statistics (NSS) indicate a higher interdiction number of 17.3 metric tons seized in 2014 and 16.6 metric tons seized in 2015.⁵³ The delta between NSS and ONDCP's statistics may be because NSS includes seizures up to 150 kilometers inside the United States.

The U.S. - Mexico border is the primary entry point into the United States for cocaine, heroin, methamphetamine, and marijuana.⁵⁴ Once cocaine reaches the border, the sheer volume of northbound traffic through the two bridges in Laredo is overwhelming for U.S. law enforcement to stop and do random searches. In 2001, this traffic reached the highest point of 1.7 million trucks. In 2013, the World Trade Bridge

⁵⁰ Joint Inter-Agency Task Force South, Documented cocaine removal and interdiction database.

⁵¹ Office of National Drug Control Policy, *National Southwest Border Counter narcotics Strategy*, 5.

⁵² *Ibid.*, 5.

⁵³ El Paso Interdiction Center, "Cocaine Seizures along the SWB from CY 2006 to 2016," *National Seizure Statistics database*, Drug Enforcement Administration.

⁵⁴ Office of National Drug Control Policy, *National Southwest Border Counter narcotics Strategy*, 1.

(Laredo, Texas) Port of Entry accounted for roughly forty-one percent of total northbound truck crossings.⁵⁵ According to US Immigration and Customs Enforcement agency, only roughly eight to ten percent of vehicles are stopped for random searches.⁵⁶ This leads to the “shotgun” mentality for the traffickers, accepting the U.S. will seize a certain quantity of drugs and calculating that risk in the transportation equation. ONDCP confirms that Mexican traffickers typically send smaller cocaine shipments at higher frequencies to decrease the risk. Even with the increase of seizures relative to the increase in coca production, in 2014 the United States’ maritime (79.7 metric tons) and SWB (8.1 metric tons) cocaine seizures combined (87.9 metric tons) indicate only thirteen percent of cocaine that departed South America was interdicted by U.S. efforts. For 2015, that percentage drops to ten percent with 135.3 metric tons removed. Using the higher SWB seizure numbers from the NSS, the percentages increase to fourteen percent for 2014 and ten percent for 2015. If adding in the category of “other disruptions” from JIATF South, the percentages increase to twenty percent for 2014 and sixteen percent for 2015.⁵⁷ Even with some interdiction success, drug traffickers still move large amounts of cocaine into the region to fund their organizations.

While many believe cocaine interdiction is a key and reoccurring component of the U.S., Mexico, and Central American counterdrug strategy, it would be more accurate to characterize interdiction efforts as ad hoc and intermittent. Cocaine interdiction is a tool to compel traffickers to change behavior or a status quo. It is one of those critical

⁵⁵ Texas Department of Transportation, “Border corridors and Trade Report,” December 2015, 13.

⁵⁶ Grayson, *The Cartels: The Story of Mexico’s Most Dangerous Criminal Organization and their impact on U.S. security*, 51.

⁵⁷ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 5.

factors that can influence a strategic effect on these powerful drug trafficking and TOC organizations. Unlike deterrence, which seeks to maintain the status quo, compellence is harder to achieve because it seeks to change the status quo.⁵⁸ At a minimum, greater frequency and amounts of cocaine interdiction will deprive the traffickers of maximizing profits, deprive funds to drug traffickers who buy and sell the product, logisticians who move the product, and corrupt officials who turn a blind eye to both these activities. The purpose of denial is to manipulate adversarial behavior by communicating to them that it is unlikely they will achieve their tactical, operational, or strategic objectives.⁵⁹ Removing the trafficker's "buying power" earlier on in the cocaine cycle could limit the trafficker's ability to "buy" public institutions' services, popular support, and challenge the rule of law, all of which delegitimizes government and undermines effectiveness.

⁵⁸ Charles Kirchofer, "Targeted Killings and Compellence: Lessons from the campaign against Hamas in the Second Intafada," *Perspectives on Terrorism*, Volume 10, Issue 3 (June 2016): 22.

⁵⁹ Alex Wilner, "Contemporary Deterrence Theory and Counterterrorism: A bridge too far?," *International Law and Politics*, Vol 47:439, (May 21, 2015): 451.

Chapter 6

Drug Trafficker Strategy: Attrition of Security forces and Populace Support

The failure of HVT allows drug traffickers to wage their own war of attrition by attempting to wear down the security forces and weaken the morale of governments and soldiers involved in combatting these groups. Mexico City underestimated the trafficker's response and it soon became a prolonged war of attrition between the Mexican government and the drug traffickers.¹ To restore law and order, President Calderon deployed around 50,000 military troops and police as a force multiplier to assist the inept local law enforcement.² Mexico City soon realized, however, that despite its superior numbers it was not so easy to "take back" the power gained by the traffickers and the freedom of movement they enjoyed for several decades. These tactics are similar to *guerilla* warfare tactics, which are designed to wear down the enemy, by chipping away at the morale of the government troops and by inducing the maximum expenditure of funds, material, and manpower in the effort to suppress them.³ Drug traffickers are not *guerrillas*, because, by definition, a *guerrilla* is a political insurgent dedicated to a single purpose, the overthrow of the government.⁴ Drug traffickers do not have the intention of a revolution, and do not consider religion, political beliefs, and ideology important for their business. They do seek a non-interfering government.⁵ To complicate matters, by

¹ Felbab-Brown, *Calderon's Calderon: lessons from Mexico's Battle Against Organized Crime and Drug Trafficking in Tijuana, Ciudad Juarez, and Michoacán*, 38.

² Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 2.

³ Robert Taber, *War of the Flea: The Classic Study of Guerrilla Warfare* (Washington DC: Potomac Books, Inc. 2002), 19.

⁴ *Ibid.*, 150; Chris Dishman, "Terrorism, Crime, and Transformation," *Studies in Conflict & Terrorism*, 24, (2001,): 43.

⁵ Shirk and Joel Wallman, "Understanding Mexico's Drug Violence," 1369; Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 7.

using guerrilla tactics the drug traffickers invoke the glory of Mexican founding fathers who rebelled against Spain, which helps them imply they are heroes of the people.⁶

Mexican and Central American drug traffickers and guerilla warfare have two significant similarities, unconstrained manpower and time.⁷ Drug traffickers have a bottomless well of manpower from which to recruit, whereas the military can quickly become stretched to the limit with major simultaneous troop deployments, as is the case in Mexico.⁸ Drug traffickers also have a willingness to endure over time because their livelihood is at stake and they are facilitated by both money and political capital, which works in their favor. Traffickers are able to recuperate following economic setbacks because they diversify into other illicit activities to offset losses, and usually because operations against the groups are intermittent and not sustained. In contrast, budgetary constraints are a concern to Mexico and Central America since it is expensive to have the military and law enforcement pursue drug traffickers. Pena Nieto announced cuts in his security budget in 2016 that reduced funding to states by \$160 million.⁹ Politically, traffickers, like guerrillas, fully understand the importance of Human Rights Commissions and are conscious of “world opinion” and the threats a protracted internal war can have on investment into a country. A prolonged war also demonstrates the impotence of the military to suppress these “fleas” who should not have the capacity to

⁶ Grillo, *El Narco, Inside Mexico's Criminal Insurgency*, 11.

⁷ Taber, *War of the Flea: The Classic Study of Guerrilla Warfare*, 20; Calderon, “Drug Trafficking and Organized Crime, connected but different,” 53.

⁸ Taber, *War of the Flea: The Classic Study of Guerrilla Warfare*, 20; Calderon, “Drug Trafficking and Organized Crime, connected but different,” 53; Grayson, *Mexico Narco-Violence and a Failed State?*, 156.

⁹ Diego Solis, Stratfor, *Mexican Security: The True Casualty of Low Oil Prices*, January 21, 2016.

<https://www.stratfor.com/analysis/mexican-security-true-casualty-low-oil-prices>

withstand the powerful military.¹⁰ By demonstrating government insufficiency the drug traffickers assume public opinion will sway the government into removing the military.

In some cases the drug trafficker attrition strategy worked. Human Rights abuses, arising from the HVT strategy, degrade one of the most prestigious institutions in Mexico and Central America, the military. Among the institutions combatting drug cartels, respondents to a 2011 national survey of Victimization and the Perception of public security, expressed the greatest confidence in the Navy.¹¹ The Marines became the “go to” force following the removal of Kingpin Arturo Beltran Leyva and other high profile traffickers. It was after all, the Marines who not only captured the most wanted Kingpin Joaquin Guzman Loera the first time, but recaptured him in January 2016 following his escape from prison.¹² Mexico’s zealous National Human Rights Commission, however, claimed to have received 5,055 complaints, many against the military.¹³

Similarly, between 2007 and 2009, coinciding with increased military deployments, a Mexican human rights organization noted a 472 percent increase in human rights violations committed by the military.¹⁴ During the Pena Nieto administration, Mexican security forces were implicated in repeated, serious human rights violations.¹⁵ These complaints led to a reduction in popular support for the

¹⁰ Taber, *War of the Flea: The Classic Study of Guerrilla Warfare*, 21.

¹¹ Grayson, *The Impact of President Felipe Calderon’s war on drugs on the armed forces: The prospects for Mexico’s “Militarization” and Bilateral Relations*, 36.

¹² Azam Ahmed, “El Chapo, Escaped Mexican Drug Lord, Is Recaptured in Gun Battle,” *The New York Times*, January 8, 2016.

¹³ Grayson, *The Impact of President Felipe Calderon’s war on drugs on the armed forces: The prospects for Mexico’s “Militarization” and Bilateral Relations*, 35.

¹⁴ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 201; Ioan Grillo, “Inside the Elite Mexican Marine Corps That Recaptured ‘El Chapo,’” *Time*, January 8, 2016.

¹⁵ Human Rights Watch, Mexico Events of 2015, <https://www.hrw.org/world-report/2016/country-chapters/mexico>, (accessed October 12 2016).

military deployments.¹⁶ To illustrate, in 2010 a poll found only eighteen percent of citizens in Ciudad Juarez approved of the army's presence, compared to sixty-five percent two months earlier, following allegations of human rights abuse by the military.¹⁷ The public also views the escalation of the military presence contributing to the violence, and held massive protests against the militarization of the problem of drug trafficking.¹⁸ Traffickers exploited this vulnerability by paying citizens to protest the presence of the military.¹⁹ Citizen support is key to maintaining the military at the forefront of HVT and violence-reduction operations; any degradation in the trust between population and government forces emboldens the traffickers to maintain the status quo.

Mexico is taking efforts to close the chasm between the armed services and populace, to keep up the esprit de corps and bolster citizen support. In light of charges of wrongdoing, the Mexican military moved into the public relations arena to attract more volunteers.²⁰ The government uses recruitment advertisements on television, Twitter, You Tube, and even running recruitment videos before the beginning of motion pictures as positive public relations opportunities.²¹ Even so, drug trafficking organizations conduct their own information campaign against the government to offset the military's recruitment efforts. For example, La Familia Michoacana uses social media, particularly

¹⁶ Grayson, *Mexico Narco-Violence and a Failed State?*, 155.

¹⁷ Longmire, *Cartel: The Coming Invasion of Mexico's Drug Wars*, 116.

¹⁸ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 182.; Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 136.

¹⁹ Stratfor, "Mexico: Protests and the Cartels," Analysis, February 13, 2009.

<https://www.stratfor.com/analysis/mexico-protests-and-cartels>; Grayson, *Mexico Narco-Violence and a Failed State?*, 156.

²⁰ Grayson, *The Impact of President Felipe Calderon's war on drugs on the armed forces: The prospects for Mexico's "Militarization" and Bilateral Relations*, 36.

²¹ *Ibid.*, 36.

Facebook, to fuel widespread social discontent and dissatisfaction with the government.²² Other trafficking groups highlight the incompetence of the armed forces to damage their reputation, which, by the lack of negative response from the Facebook audience, may indicate acceptance or agreement.²³ The traffickers continuously demonstrate their ability to counter the government, either through kinetic or non-kinetic means, demonstrating the ability to maintain public perception of power and capability.

Just like insurgents and terrorist organizations, drug trafficking groups used information as a tool of asymmetrical warfare, to promote their lifestyle and coerce their audience. Through videos, graffiti, blogs, narco-corridos and the use of mass media.²⁴ Drug traffickers venerate their duties and encourage lower-ranking members through gifts. The Sinaloa Cartel rewards operators and hitmen with diamond rings in the shape of skulls or gold covered and diamond encrusted pistols.²⁵ Through violence, they create a climate of fear and terror, not just to intimidate their rival trafficking groups, but to send messages to politicians, press, military, and other civilian institutions that they are resolute in their strategy to maintain territorial control.²⁶ The trafficker's strategy to promote the drug lifestyle as one of respect, and as a legitimate business may not always take hold, but the "plata o plomo" strategy usually works.²⁷

²² Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," 60.

²³ Ibid., 68.

²⁴ Ibid., 58. Narco-corridos are folk-music genre that tell stories of drug lords, arrests, and shootouts. Grayson, *Mexico Narco-Violence and a Failed State?*, 62.

²⁵ Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," 65.

²⁶ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 185.

²⁷ Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security*, 25; Plata or plomo is a Spanish phrase for "silver or lead" meaning "take the money (bribe) or you will be killed. It is almost common knowledge and widely used in the drug trafficking industry.

Non-state actors, such as drug traffickers, have a say in how a war will be conducted, especially if they employ guerilla-style tactics, and extensive human casualties may prompt the occupying power to withdraw its troops.²⁸ The headless corpses with notes attached to their bodies, usually indicating why the victim was killed, quickly became the calling card for cartels and proved effective intimidation tactics targeted not just at rivals but at authorities, at journalists, and at the civilian population.²⁹ One notable deliberate attack on civilians occurred in 2008 when a hand grenade killed eight people and injured 100. The populace blamed the cartels, which put pressure on President Calderon to justify using aggressive action against them, because this strategy ratcheted up their retribution tactics.³⁰ Another reprisal against civilians occurred following the Mexican Navy's killing of Arturo Beltran Leyva in 2009. Beltran Leyva members killed the mother and sisters of a special forces member involved in the operation following the funeral; the nation was horrified.³¹ War exists when hostility and violence pass a certain threshold which law and opinion recognize as war, according to Quincy Wright.³² By 2009, nobody doubted Mexico was at war, but people wondered if the government could survive long enough to win it.³³ This sentiment is exactly what the traffickers anticipate in their attrition strategy of wearing down the manpower of the security forces by inducing fear and tarnishing their image, and using time to demonstrate an ineffective government while inflicting an economic burden to pursue them.

²⁸ Herfried Munkler, *The New Wars* (UK: Polity Press, 2005), 29.

²⁹ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 109.

³⁰ *Ibid.*, 123.

³¹ *Ibid.*, 166.

³² Quincy Wright, *A study of War* (Chicago: University of Chicago Press, 1964), 7.

³³ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 157.

Chapter 7

The Regional Way Forward

The predominance of the HVT strategy over the past decade is insufficient to address the underlying causes for instability in the region that partially stems from the abundance of cocaine movement into Central America and Mexico. HVT was successful in breaking down the monolithic groups, but failed to weaken the traffickers' ability to challenge the rule of law, which foments instability throughout the region. Mexican traffickers are not attriting as hoped, but regenerating and employing an attrition strategy to force governments to bear the financial burden of the HVT. Drug traffickers continue to leverage a quick succession plan to fill leadership voids from a deep pool of experienced traffickers, recruitment of new members, and alliances of convenience with other trafficking groups. Most importantly, they are flush with increasing resources, political protection, and access to law enforcement because of their enormous "buying power" that stems from cocaine proceeds, which enables them to outlast government policies and political leaders. The uninterrupted cocaine supply into Central America and Mexico, with a final destination in the United States, and a continuous funding stream from drug proceeds, allows the traffickers to adapt to HVT successes.

The current cocaine interdiction effort is disjointed, ad hoc, and ineffective. Disjointed in that each nation has an isolated strategy or an imbalanced effort to combat drug trafficking throughout the region; separate action is not stemming the cocaine flow. Ad hoc in that countries may or may not respond to U.S. cueing on a target. Ineffective in that combined cocaine interdiction from U.S, Mexico, and all Central American

countries was only twenty-two percent of cocaine that transited the region in 2015.¹

Most countries in the region are poorly equipped and ill-trained to prevent drug traffickers from exploiting individual state security deficits.²

Recommendations

To be effective the United States, Mexico, and Central American partners must apply a balanced, holistic, regional approach that includes sustained cocaine interdiction and HVT to reduce cocaine trafficking and its profits, and rebalance the war of attrition.

For the most part, the United States is the first and last line of defense for interdiction once cocaine departs South America. The first line of defense is with the DoD and law enforcement maritime assets that operate in the Caribbean and Eastern Pacific waters to detect and monitor cocaine shipments once they depart from South America. As mentioned in a previous chapter, maritime interdiction rates since 2006 ranged between eight and seventeen percent unacceptably low to compel drug traffickers to stop trafficking. The last line of defense is with law enforcement officers operating at the SWB. U.S. law enforcement, however, merely interdicts an average of five to fifteen percent of illegal drugs entering the United States, of which roughly three percent is cocaine.³ One explanation for the low cocaine seizure rate at the SWB stems from the tactics used by traffickers to move the drugs into the United States. Traffickers usually use personal vehicles, trucks or buses to ship smaller amounts of cocaine at higher

¹ U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016).

² Derek S. Reveron, "Weak States and Security Assistance," *Prism* Vol 1, No.3 (June 2010), 40.

³ El Paso Interdiction Center, "Cocaine Seizures along the SWB from CY 2006 to 2016," *National Seizure Statistics database*, Drug Enforcement Administration; Grayson, "Mexico's struggle with 'drugs and thugs'," 60.

frequencies, to decrease the risk of interdiction along the border.⁴ And the sheer volume of these shipments creates an enormous task for law enforcement.⁵ In fact, the effort it would take to check all vehicles would shut down the movement of daily trade at these major points of entry. Such a simple risk/reward analysis, would suggest the first line of defense is the optimal option to have the greatest influence on supply reduction.

A more rigorous analysis suggests an alternate approach to supplement the deficiencies from the first and last lines of defense. Enormous amounts of cocaine remain accessible to traffickers who use the proceeds from retail-level sales in Mexico as well as wholesale distribution in the United States to regenerate from HVT successes. A coordinated second-line of defense strategy within the region would make more frequent and high quantity cocaine interdiction, which will mitigate the amount of purchasing power traffickers have to bribe public officials, to maintain a sophisticated multi-model transportation network, and to push retail-level sales throughout the region. More cocaine interdictions also will decrease the enormous drug proceeds flowing back to the traffickers from the United States. These efforts will, at a minimum, balance the HVT strategy and potentially maintain gains from HVT successes.

According to the 2014 Quadrennial Defense Review:

In the Western Hemisphere, today's threats stem from the spread of narcotics and other forms of transnational organized crime. These challenges are shared and do not respect sovereign boundaries. It is in the mutual interest of all the nations of the Western Hemisphere to unite to develop regional capacity to disrupt, dismantle and defeat these threats from non-state actors.⁶

⁴ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 5; U.S. Department of Justice, Drug Enforcement Administration, *2016 National Drug Threat Assessment Summary*, 7.

⁵ Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security*, 27.

⁶ Department of Defense, *Quadrennial Defense Review 2014* (Chapter 1 Future Security Environment), 6.

Because drug trafficking is regionally focused and transcends borders, to counter this activity requires a coordinated regional effort to squeeze the middle in this “Anaconda strategy” and not just from the top and bottom. But for the most part, that is the current strategy when it comes to cocaine interdiction. Regional intelligence sharing, to gain a common operating picture and real-time illicit movements, would vastly improve coordinated interdiction efforts.

Pooling resources together may improve the odds. For instance, combined temporary operations such as Operation MARTILLO and ANVIL, which include U.S. and partner nation’s activities, had a positive effect on disrupting some illicit air and maritime trafficking in the Western Caribbean and Eastern Pacific littoral routes.⁷ The issue is that Operations usually are temporary and do not apply consistent pressure on trafficking operations, allowing traffickers to adapt to the ebb and flow of this intermittent pressure. But having a regionally based, persistent second-line of defense, may cause a strategic effect to the drug trafficking industry.

Mexico and Central American countries are open to collaboration, but issues that directly affect the populace and cause public outcry receive the lion’s share of attention at the expense of cocaine interdiction. Regional leaders have not made drug interdiction a cornerstone of their strategy to combat drug trafficking, instead they focus on HVT and violence reduction operations to minimize the trafficking group’s ability to challenge the rule of law and cause instability through violence.⁸ On the other hand, paying more

⁷ Office of National Drug Control Policy, *National Drug Control Strategy 2015*, 64.

⁸ U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2015 International Narcotics Control Strategy Report: Country of Mexico*; Edward Fox, “Pena Nieto Rolls Out Security Strategy,” *Insight Crime, Investigation and Analysis of Organized Crime*, Tuesday, 18 December 2012, <http://www.insightcrime.org/news-analysis/pena-nieto-rolls-out-security-strategy> (accessed

attention to cocaine interdiction would most reduce instability in these countries because of all the drugs that are trafficked in this region, cocaine is the most prevalent. The cocaine profits allow traffickers to buy boats and planes, hire smugglers and assassins and bribe government officials.⁹ Consequently, removing the primary funding stream for the traffickers operating in the region could reduce their ability to cause instability.

Besides the lack of political will toward cocaine interdiction, efforts to combat this illicit activity tend to be long term and costly to governments, both disincentives to most countries in Central America and Mexico. Supply reduction programs require adequate and expensive equipment, such as helicopters, interceptor boats, gasoline to fuel the boats, and arms. Central American countries and Mexico have both limited interdiction capabilities and lack of political will, which further detracts from robust cocaine interdiction efforts.

The common denominator for all countries is they are inflicted with drug trafficking and instability. It is no longer plausible to just point the finger toward the United States. From a social constructivist's view, co-operative policies against drug trafficking could emerge because states identify with other states, feel an obligation to help others, and share a loyalty to the group.¹⁰ But even if the US is forced to bear the primary burden of interdiction, a potential mechanism for NORTHCOM, SOUTHCOM,

September 4, 2016); Jordan Fabian, "Mexican Pena Nieto Outlines New Drug War Plan," ABC News website, December 8, 2012, http://abcnews.go.com/ABC_Univision/News/mexico-president-enrique-pena-nieto-charts-drug-war/story?id=18007154 (accessed September 4, 2016); Isabella Cota, "Hernández vows to stem Honduran drug violence as president," Bloomberg News, January 28, 2014, <http://www.ticotimes.net/2014/01/28/hernandez-vows-to-stem-honduran-drug-violence-as-> (accessed September 4, 2016); Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 90.

⁹ Stewart, "Mexico's Cartels and the Economics of Cocaine," *Stratfor Security Weekly*, January 3, 2013.

¹⁰ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 44.

and JIATF South is to conduct a more unified regional approach that may enhance cocaine interdiction at the second-line of defense. Currently, JIATF South facilitates international and interagency interdiction to enable the disruption and dismantlement of illicit and converging threat networks in support of national and hemispheric security.¹¹ One of its goals is to eliminate the primary flow of illicit drugs in and through the Joint Operating Area.¹² Interdiction operations are actions to divert, disrupt, delay, or destroy the enemy's capability before it can be used effectively against friendly forces, or to otherwise achieve objectives.¹³ The current cocaine interdiction efforts fail to achieve JIATF South's objectives.¹⁴ Admiral Kurt Tidd, head of U.S. forces operating in Central and South America told law makers that U.S. forces were ill-prepared to meet the goal of interdicting forty percent of the illegal traffic moving from the region toward the United States.¹⁵ Moreover, the United States recognizes a decline in maritime interdiction assets and diminished intelligence.¹⁶ As mentioned, the first line of defense was the optimal option given the challenges for cocaine interdiction at the SWB border, but this deficit in the first line of defense underscores the requirement for a regional second-line of defense.

¹¹ Joint Inter-agency Task Force South, <http://www.jiatfs.southcom.mil/About-Us/>, (accessed September 4, 2016).

¹² Ibid.

¹³ Department of Defense, Joint Chiefs of Staff, *Joint Publication 3-0 Joint Operations* (Washington DC: Joint Chiefs of Staff, August 11, 2001), III-24.

¹⁴ Jim Garamone, "Spending Cuts Devastate Cocaine Interdiction," American Forces Press Service, Military.com, May 23, 2013, <http://www.military.com/daily-news/2013/05/23/spending-cuts-devastate-cocaine-interdiction.html>. (accessed January 4, 2017.)

¹⁵ Christopher Woody, "U.S. Coast Guard Busted 11 metric tons of cocaine being smuggled in the Pacific Ocean," *Business Insider*, August 22, 2016, <http://www.businessinsider.com/us-coast-guard-busts-11-tons-cocaine-pacific-ocean-2016-8>, (accessed September 4, 2016.); Office of National Drug Control Policy, *Transit Zone Operations*, (Washington DC: Government Printing Office). <https://www.whitehouse.gov/ondcp/transit-zone-operations> (accessed January 4, 2017)

¹⁶ The White House, Office of National Drug Control Policy, *Presidential Determination-Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2015*, Memorandum for the Secretary of State, September 15, 2014.

JIATF South also cues host nation regional partners of illicit air and maritime drug threats. Most host nation countries, however, do not have the will or the resources to respond to these prompts, which results in very low cocaine interdiction rates.¹⁷ A combined and joint forces approach from the United States and host nation countries, in the form of a JIATF Central America, located at designated chokepoints in the region, with rotational Command and Control from all countries, may be a force-multiplier and have greater influence on cocaine interdiction. Mexico and Central American countries would feel they are equal partners in a problem that affects all countries in Central and North America and is a recognized cause for instability. This JIATF Central America construct supports U.S. Joint Operations doctrine, which states “when international forces are needed to respond to threats and keep the peace, we will make every effort to ensure that partners are ready, able, and willing.”¹⁸

Similar to how the Merida Initiative helped debunk the “U.S. Supervisory” role to the Mexican leadership, a more structured Command and Control in Central America could allow for more regional ownership of the threat. This theory is comparable to how economic sanctions rely on regional allies to work hand-in-hand for sanctions to have an effect, otherwise targets can evade U.S. measures simply by moving their commercial and financial activity elsewhere.¹⁹ Lastly, a JIATF Central America would promote security cooperation and build partner defense capacity, a pillar in the 2014 Quadrennial Defense Review, which would support multinational hands-on training, develop enduring

¹⁷ U.S. Government, Data derived from U.S. government event-level seizure and movement database, (Washington DC: Department of Defense, August 2016).

¹⁸ Department of Defense, U.S. Joint Chiefs of Staff, *Joint Publication 1, Doctrine for the Armed Forces of the United States*, (Washington DC: Joint Chiefs of Staff, March 25, 2013), page i.

¹⁹ Zachary K. Goldman and Elizabeth Rosenberg, “American Economic Power & The New Face of Financial Warfare,” *Economic Statecraft Series*, Center for New American Studies, (June 2015): 9.

defense relationships, and foster collaboration among regional partners.²⁰ Working through the DoD security cooperation programs and State Department, this construct would fit into the U.S. objectives of promoting U.S. security interests, develop allied and friendly military capabilities, and improve information exchange and intelligence sharing.²¹ To be effective then, it might be time for the United States to expand the first line of defense and rely more on regional partners to combat the regional drug trafficking problem as a second line of defense.

The consistency in the drug trafficker's strategic trafficking model may work to the strategic advantage of the JIATF Central America construct. Drug trafficking through the region has been relatively stable for the past decade with minimal volatility which helps to identify techniques, tactics, and procedures (TTPs). For the most part, traffickers remain wedded to using non-commercial maritime conveyances to move multi-ton loads of cocaine from South America into Central America. They may change the type of vessel, or include self-propelled semi submersibles, but the Caribbean Sea and the Eastern Pacific Ocean continue to be the main thoroughfare for cocaine movement. Consistency in TTPs may be the one strategic factor that can have a strategic effect on drug trafficking in the region.

The consequences or risks of any strategic effect will need to be considered. Because humans are involved in drug trafficking, it is a dynamic and complex system characterized by, volatility, uncertainty, complexity, and ambiguity. A complex system has elements that are interconnected so that changes in some elements or their relations

²⁰ 2014 Quadrennial Defense Review, Department of Defense, Page V, 18.; Derek S. Reveron, "Weak States and Security Assistance," *Prism* Vol 1, No.3 (June 2010), 30.

²¹ Derek S. Reveron, "Weak States and Security Assistance," *Prism* Vol 1, No.3 (June 2010), 27.

produce changes in other parts of the system; there are risks in changing the status quo.²² Any action creates an element of instability in the equilibrium and introduces an element of risk for friends and adversaries alike.²³

The first significant risk of greater frequency and amounts of cocaine interdiction at sea may force traffickers to rely more on other conveyances to move their product into the region, such as non-commercial air or commercial maritime. More robust land interdiction successes may force traffickers to completely move their operations off the land based routes through Central America and switch routes back to the Central Caribbean. At a minimum this action probably would slow down the frequency of shipments because traffickers would need to set up a logistics network for either non-commercial maritime or non-commercial air shipments and then bribe all the officials to guarantee safe passage of those shipments. Although some shipments of cocaine move through the Caribbean, it is not routinely used by Mexican and Central American traffickers. However, a shakeup to the status-quo in the long-stable business model may provoke backlash against the government, civilian and military entities involved in the interdiction efforts. Similar to HVT successes, interdiction could lead to more instability in the short-term. It may also foment distrust among trafficking groups and cause internecine violence, possibly inflicting civilian casualties, for an extended period of time as traffickers now vie for a smaller market share.²⁴

²² Yarger, *Strategic Theory for the 21st Century: The Little Book on big Strategy*, 13.

²³ *Ibid.*, 13.

²⁴ Payan, *The Three U.S.-Mexico Border Wars: Drugs, Immigration, and Homeland Security*, 44.

Concluding Thoughts

The trafficker's war of attrition against the state, particularly in Mexico, has damaged its credibility. Violence, kidnapping, and extortion continue to rise and there is an overall sense of insecurity and growing apathy from the Mexican people.²⁵ The same phenomena occurs throughout Central America. A kingpin removal has little effect on their way of life.²⁶ The populace wants to be on the winning side of a conflict; right now the perception is that the drug traffickers are winning.²⁷ As U.S. Government statistics indicate, more cocaine is moving through the region, intensifying the trend for trafficker empowerment, promoting their legitimacy, and further deteriorating the state legitimacy.

From a realist perspective, drug traffickers are not recognized as security issues since they do not pose a "physical threat" to the state. The realist perspective misses the point that the threat posed is not the physical survival of the state, but rather the threat to the function of the state. Drug trafficking groups continue to move large amounts of cocaine through the region and infiltrate large areas of civil and military institutions through bribes stemming from cocaine proceeds. They are essentially challenging the effectiveness of a functioning society.²⁸ When a government has limited authority and power to control the territory and secure general interests it essentially becomes a delegitimized state.²⁹ The balance of power across the region is at a crossroads and poised to shift in favor of TOC.³⁰

²⁵ Davila, "Social Media: Insight on the Internal Dynamics of Mexican DTOs," 69.

²⁶ Langton, *Gangland: The Rise of the Mexican Drug Cartels from El Paso to Vancouver*, 207.

²⁷ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 96.

²⁸ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 27.

²⁹ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 36.

³⁰ Farah, "Central America's Northern Triangle: A Time for Turmoil and Transitions," 90.

The greatest threat posed by drug trafficking organizations comes from their financial ability and their efforts to protect their business.³¹ The enormous profits reverts back to one of the objectives of the U.S. strategy against TOC: breaking the economic power of these groups and depriving them of their enabling means. While there are several operations to eradicate the stratospheric profits of criminal groups, such as legalization or regulation of the market, combatting returning drug profits that return to Mexico, and reducing consumption, should remain part of the strategy. Another approach, however, that was dismissed over the past decade, is removing the ability of the traffickers to make profits from reducing the commodity, particularly cocaine. While such a strategy could exacerbate existing regional instability it would likely be short-term and, more importantly, the region is already unstable. If the desired end state of these governments is to have stability in the region, then leaders must rethink the strategy that will create a more favorable outcome and not just leave it to chance.

Instability within the environment urges adoption of a new strategy.³² An underlying assumption of strategy from a national perspective is that all nation-states and non-state actors have interests they will pursue to the best of their abilities. If the desired end state of these governments is to have stability in the region then they must rethink the strategy that will create a more favorable outcome and not just leave it to chance. The U.S. focus in the region has been more on trade and economic issues, less on counterdrug and interdiction efforts than in the past.³³ Even Assistant Secretary for the Bureau of

³¹ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 32.

³² Yarger, *Strategic Theory for the 21st Century: The Little Book on Big Strategy*, 7.

³³ Marcy, William L., "The End of Civil War, the Rise of Narcotrafficking and the Implementation of the Merida Initiative in Central America," *International Social Science Review* Vol. 89, Issue 1 (2014): 16.

International Narcotics and Law Enforcement Affairs stated that U.S. policy was “not a ‘war’ on drugs.”³⁴ Likewise, regional governments are focused more on violence-reduction rather than interdicting cocaine.³⁵ As the drug industry is unlikely to disappear within the foreseeable future, one must at a minimum upset the enemy’s disposition, menace the route which he needs to reestablish himself, and endanger his supplies.³⁶ The failure of national and international counterdrug and HVT strategies has only increased the influence of the drug trafficking groups at the individual, state, regional, and international level. The drug traffickers now pose the greatest security threat to North and Central America.³⁷ If “strategy is a process, a constant adaptation to shifting conditions and circumstances in a world where chance, uncertainty, and ambiguity dominate,” then it might be time to make that shift toward an equal war of attrition by including a “war on drugs.”³⁸ Senator Feinstein, co-chair of the International Narcotics Control Caucus encouraged President-elect Trump to direct the National Security Council to develop a long-term, interagency counternarcotics strategy and develop concrete steps to take in partnership with other countries.³⁹ Now it is time to adjust the strategy to lead to favorable effects in regard to the state's stability.⁴⁰ Removing the trafficker’s major sources of purchasing power throughout the region, meets the criteria for a good strategy.

³⁴ William L., “The End of Civil War, the Rise of Narcotrafficking and the Implementation of the Merida Initiative in Central America,” 16.

³⁵ Farah, “Central America’s Northern Triangle: A Time for Turmoil and Transitions,” 105.

³⁶ B.H. Liddell Hart, *Strategy*, (New York: Meridian, 1991), 326.

³⁷ Davila, “Social Media: Insight on the Internal Dynamics of Mexican DTOs,” 50.

³⁸ Yarger, *Strategic Theory for the 21st Century: The Little Book on Big Strategy*, 10; William Murray and Mark Grimsley, “Introduction on Strategy,” *The Making of Strategy: Rulers, States, and War*, Cambridge, Cambridge University Press 1994; 1997: 1.

³⁹ The Office of Sen. Dianne Feinstein, D-Calif, Press Release, Sen Feinstein Urges Trump to Prioritize Counternarcotics Policies, December 26, 2016.

<http://search.proquest.com/docview/1852005505/6163FE59D5B14285PQ?accountid=12686>

⁴⁰ Yarger, *Strategic Theory for the 21st Century: The Little Book on Big Strategy*, 13.

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Appendix 1: Facets of the Cocaine Business

1. **Production:** Cocaine is not produced in Mexico or Central America, only in South America.¹ Colombia, Peru and Bolivia are the three South American countries that produce cocaine.² Coca cultivation in known Colombian grow areas increased 40 percent between 2014 and 2015.³ This is on top of a 39 percent increase from 2013 to 2014. This translates into a potential 121 percent (185 metric tons to 420 metric tons) increase in metric tons produced over the past two years.⁴
2. **Transportation:** Drug trafficking, like most exporting activities, is a business more related with the massive transport of merchandise, multi-ton loads of cocaine in this case.⁵ Logistics, the key issue, must address three questions: how to move this quantity across the various borders and at which point and what official to deal with.⁶ Colombia remained the primary South American departure country for U.S.- bound cocaine.⁷ All seven Central American countries and Mexico are included on the Presidential determination list on major drug transit or major illicit drug producing countries for fiscal year 2017.⁸ ONDCP asserts that once these large cocaine loads reach transshipment points in Mexico or Central America, they are broken down into small, difficult-to-detect loads and smuggled over the SWB into the United. States.⁹
 3. **Storage:** Warehousing massive loads of cocaine within a plaza occurred in the mid-1980s as the Mexican's increased their role in moving multi-ton loads of cocaine from the Colombians.¹⁰

¹ Stewart, "Mexico's Cartels and the Economics of Cocaine," *Stratfor Security Weekly*, January 3, 2013; Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, September 2015, 2.

² Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, 6.

³ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 5.

⁴ *Ibid.*, 5.

⁵ Calderon, "Drug Trafficking and Organized Crime, connected but different," 54-55.

⁶ *Ibid.*, 54-55.

⁷ Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, 8.

⁸ The White House, "Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2017," Office of the Press Secretary, September 12, 2016.

⁹ Office of National Drug Control Policy, *National Southwest Border Counter Narcotics Strategy*, 5.

¹⁰ Watt and Zepeda, *Drug War Mexico: Neoliberalism and Violence in the New Narcoeconomy*, 98.

4. **Wholesale Distribution:** Eventually the Mexicans replaced Colombians for wholesale in the United States.¹¹ The United States remained the largest consumer of cocaine worldwide, accounting for 35 percent of the volume of global cocaine consumption in 2013.¹² The amount of cocaine consumed in the United States increased in 2013 to 300 metric tons of cocaine from 232 metric tons in 2012.¹³ The traffickers now earn retail prices on the product increasing their profit.
5. **Money Laundering:** The process of legalizing illicitly gained money. The illicit gains need to be “cleaned” before the criminals can use them in the legal economic system.¹⁴ Money laundering occurs through the purchase of legal companies or bank transfers.

¹¹ U.S. Department of Justice, Drug Enforcement Administration, *2015 National Drug Threat Assessment Summary*, (website accessed 17 September 2016): 1.

¹² Office of National Drug Control Policy, *Cocaine Smuggling in 2013*, 7.

¹³ *Ibid.*, 7.

¹⁴ Fukumi, *Cocaine Trafficking in Latin America: EU and US Policy Responses*, 33.

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