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Mexico: Organized Crime and Drug Trafficking Organizations

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Summary

Mexican drug trafficking organizations (DTOs) pose the greatest crime threat to the United States and have "the greatest drug trafficking influence," according to the annual U.S. Drug Enforcement Administration's (DEA's) *National Drug Threat Assessment*. These organizations work across the Western Hemisphere and globally. They are involved in extensive money laundering, bribery, gun trafficking, and corruption, and they cause Mexico's homicide rates to spike. They produce and traffic illicit drugs into the United States, including heroin, methamphetamine, marijuana, and powerful synthetic opioids such as fentanyl, and they traffic South American cocaine. Over the past decade, Congress has held numerous hearings addressing violence in Mexico, U.S. counternarcotics assistance, and border security issues.

Mexican DTO activities significantly affect the security of both the United States and Mexico. As Mexico's DTOs expanded their control of the opioids market, U.S. overdoses rose sharply to a record level in 2017, with more than half of the 72,000 overdose deaths (47,000) involving opioids. Although preliminary 2018 data indicate a slight decline in overdose deaths, many analysts believe trafficking continues to evolve toward opioids. The major Mexican DTOs, also referred to as *transnational criminal organizations* (TCOs), have continued to diversify into such crimes as human smuggling and oil theft while increasing their lucrative business in opioid supply. According to the Mexican government's latest estimates, illegally siphoned oil from Mexico's state-owned oil company costs the government about $3 billion annually.

Mexico's DTOs have been in constant flux. In 2006, four DTOs were dominant: the Tijuana/Arellano Félix organization (AFO), the Sinaloa Cartel, the Juárez/Vicente Carillo Fuentes Organization (CFO), and the Gulf Cartel. Government operations to eliminate DTO leadership sparked organizational changes, which increased instability among the groups and violence. Over the next dozen years, Mexico's large and comparatively more stable DTOs fragmented, creating at first seven major groups, and then nine, which are briefly described in this report. The DEA has identified those nine organizations as Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, La Familia Michoacana, the Knights Templar, and Cartel Jalisco New Generation (CJNG). In mid-2019, leader of the long-dominant Sinaloa Cartel, Joaquín ("El Chapo") Guzmán, was sentenced to life in a maximum-security U.S. prison, spurring further fracturing of a once-hegemonic DTO.

By some accounts, a direct effect of this fragmentation has been escalated levels of violence. Mexico's intentional homicide rate reached new records in 2017 and 2018. In 2019, Mexico's national public security system reported more than 17,000 homicides between January and June, setting a new record. In the last months of 2019, several fragments of formerly cohesive cartels conducted flagrant acts of violence. For some Members of Congress, this situation has increased concern about a policy of returning Central American migrants to cities across the border in Mexico to await their U.S. asylum hearings in areas with some of Mexico's highest homicide rates.

Mexican President Andrés Manuel López Obrador, elected in a landslide in July 2018, campaigned on fighting corruption and finding new ways to combat crime, including the drug trade. According to some analysts, challenges for López Obrador since his inauguration include a persistently ad hoc approach to security; the absence of strategic and tactical intelligence concerning an increasingly fragmented, multipolar, and opaque criminal market; and endemic corruption of Mexico's judicial and law enforcement systems. In December 2019, Genero García Luna, a former top security minister under the Felipe Calderón Administration (2006-2012), was arrested in the United States on charges he had taken enormous bribes from the Sinaloa Cartel, further eroding public confidence in government efforts.

For more background, see CRS Insight IN11205, *Designating Mexican Drug Cartels as Foreign Terrorists: Policy Implications*, CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*, and CRS Report R42917, *Mexico: Background and U.S. Relations*. On the issues of fentanyl and heroin, see CRS Report R45790, *The Opioid Epidemic: Supply Control and Criminal Justice Policy—Frequently Asked Questions*.

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Introduction

Mexico shares a nearly 2,000-mile border with the United States, and the two countries have historically close trade, cultural, and demographic ties. Mexico's stability is of critical importance to the United States, and the nature and intensity of violence in Mexico has been of particular concern to the U.S. Congress. Increasing violence, intimidation of Mexican politicians in advance of the 2018 elections, and assassinations of journalists and media personnel have continued to raise alarm. In 2018, some 37 mayors, former mayors, or mayoral candidates were killed, and murders of nonelected public officials rose above 500.[1] In 2017 and 2018, a journalist was murdered nearly once a month, leading to Mexico's status as one of the world's most dangerous countries to practice journalism. In 2019, press reports indicate that 12 journalists were assassinated in Mexico, in a year that appears to be on track for a new overall homicide record.[2]

Mexico's brutal drug trafficking-related violence over many years has been dramatically punctuated by beheadings, public hanging of corpses, car bombs, and murders of dozens of journalists and public officials. Beyond these brazen crimes, violence has spread from the border with the United States to Mexico's interior, flaring in the Pacific states of Michoacán and Guerrero and in the border states of Tamaulipas, Chihuahua, and Baja California, where Mexico's largest border cities are located. Organized crime groups have splintered and diversified their crime activities, turning to extortion, kidnapping, auto theft, oil smuggling, human smuggling, retail drug sales, and other illicit enterprises. These crimes often are described as more "parasitic" for local communities and populations inside Mexico.

A spate of crimes between early October and December 2019 appear to have been committed by factions of formerly cohesive criminal groups. Those jarring incidents included

- The October capture by Mexican authorities of a son of imprisoned Mexican drug kingpin Joaquín ("El Chapo") Guzmán. Guzmán's son was briefly detained for trafficking, until the Sinaloa Cartel responded with overwhelming force that brought chaos to the city of Culiacán and prompted authorities to release him.
- The November 4 slaying of nine U.S.-Mexican dual citizens of an extended Mormon family (including children) in the border state of Sonora in Mexico.
- A shootout near the Texas-Mexico border in which some 21 people were killed over two days, including police, criminal group members, and civilians.

These incidents—described as massacres—drew the attention of President Trump, who pushed the Mexican government to invite greater assistance from the U.S. government to help Mexico win the drug war.[3]

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[1] For more background, see Laura Y. Calderón, Kimberly Heinle, Octavio Rodríguez, and David A. Shirk, *Organized Crime and Violence in Mexico*, University of San Diego, April 2019. Hereinafter, Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*. See also CRS Report R45199, *Violence Against Journalists in Mexico: In Brief*, by Clare Ribando Seelke.

[2] "Third Mexican Journalist Killed in a Week amid Record Murder Rate," *The Guardian*, August 3. 2019; Carrie Kahn, "12 Journalists Have Been Killed in Mexico This Year, The World's Highest Toll," National Public Radio, September 12, 2019.

[3] For background, see CRS Insight IN11205, *Designating Mexican Drug Cartels as Foreign Terrorists: Policy Implications*, coordinated by Liana W. Rosen; Ioan Grillo, "How the Sinaloa Cartel Bested the Mexican Army," *Time*, October 18, 2019; Manuel Bojorquez, "Massacre of Mormon Family Reveals Evolution of Cartel Violence in Mexico," CBS News, November 9, 2019.

Drug traffickers exercised significant territorial influence in parts of the country near drug production hubs and along drug trafficking routes during the six-year administration of President Enrique Peña Nieto (2012-2018), much as they had under the previous president. Although homicide rates declined early in Peña Nieto's term, total homicides rose by 22% in 2016 and 23% in 2017, reaching a record level. In 2018, homicides in Mexico rose above 33,000, or a national rate of 27 per 100,000 people, about a 33% increase over the record set in 2017.[4]

Yet, Mexico's high homicide rate is not exceptional in the region, where many countries are plagued by high rates of violent crime, such as the "Northern Triangle" countries of Central America—El Salvador, Guatemala, and Honduras. Overall, the Latin America region has a significantly higher homicide level than other regions worldwide. According to the U.N.'s Global Study on Homicide published in July 2019, with 13% of the world's population in 2017, Latin America had 37% of the world's intentional homicides.[5] Mexico's homicide rate was once about average for the region, but the country's intentional homicides and homicide rates have risen steadily in the past three years. (This increase contrasts with homicide-rate declines in the Northern Triangle countries, where high rates decreased somewhat between 2017 and 2018.)

Figure 1. Map of Mexico

Source: Congressional Research Service.

[4] See Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*.

[5] United Nations (U.N.), *U.N. Global Study on Homicide 2019*, six-booklet format, July 8, 2019; see also "'Breathtaking Homicidal Violence': Latin America in Grip of Murder Crisis," *The Guardian*, April 26, 2018.

Even by the Latin American experience, the increases in Mexico's homicide rate and absolute number of homicides from 2007 to the end of the administration of President Felipe Calderón in 2012 were unprecedented.[6] Estimates of Mexico's disappeared or missing—numbering 40,000 from 2006, as reported by the Mexican government in 2019, have generated domestic and international concern.[7] Alarm has grown about new bouts of extreme violence, and the continuing discovery of mass graves around the country remains a troubling sign.[8]

Casualties are reported differently by the Mexican government and Mexican media outlets that track the violence, so debate exists on how many have been killed.[9] This report conveys Mexican government data, but the data have not consistently been reported or reported completely. For example, the Mexican government released tallies of "organized-crime related" homicides through September 2011. For a time, the Peña Nieto administration also issued such estimates, but it stopped in mid-2013. Although precise tallies diverged, during President Calderón's tenure (2006-2012) there was a sharp increase in the number of homicides, which leveled off at the end of 2012. In the Peña Nieto administration, after a couple years' decline, a sharp increase was recorded between 2016 and the first half of 2019, which surpassed previous totals. Overall, since 2006, many sources maintain that Mexico experienced roughly 150,000 murders related to organized crime, which is about 30% to 50% of total intentional homicides.[10] In addition, the government assesses more than 40,000 Mexicans disappeared, as mentioned above.

Violence is an intrinsic feature of the trade in illicit drugs. Traffickers use it to settle disputes, and a credible threat of violence maintains employee discipline and provides a semblance of order with suppliers, creditors, and buyers, while serving to intimidate potential competitors.[11] This type of drug trafficking-related violence has occurred routinely and intermittently in U.S. cities since the early 1980s. The violence now associated with drug trafficking organizations (DTOs) in Mexico is of an entirely different scale. In Mexico, the violence not only is associated with resolving disputes, maintaining discipline, and intimidating rivals but also has been directed toward the government, political candidates, and the media. Some observers note that the excesses of some of Mexico's violence might be considered exceptional by the typical standards of organized crime.[12] Periodically, when organized crime-related homicides in Mexico have spread to important urban centers or resulted in the murder of U.S. citizens, Members of Congress have considered the possibility of designating the criminal groups as foreign terrorists, as in

[6] This finding appears in several annual reports from the University of San Diego, Justice in Mexico program, including in Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*.

[7] "Mexican Gov't Unveils Plan to Search for Missing People," *Agencia EFE* (English Edition), February 4, 2019.

[8] Andrea Navarro, "Drug Cartels Muscle into Town Packed with Americans," Bloomberg, December 4, 2019; "Mexico: 50 Bodies Among Remains at Farm Outside Guadalajara," Associated Press, December 15, 2019.

[9] The Mexican news organizations *Reforma* and *Milenio* also keep a running tally of "narco-executions." For instance in 2014, *Reforma* reported 6,400 such killings, the lowest it has reported since 2008, whereas *Milenio* reported 7,993 organized crime-related murders. Kimberly Heinle, Octavio Rodríguez Ferreira, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2015*, University of San Diego, April 2016.

[10] Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*.

[11] Robert J. MacCoun and Peter Reuter, *Drug War Heresies: Learning from Other Times, Vices and Places* (New York: Cambridge University Press, 2001); Kevin Jack Riley, *Snow Job? The War Against International Cocaine Trafficking* (New Brunswick: Transactional Publishers, 1996).

[12] See, for example, Vanda Felbab-Brown, *Peña Nieto's Piñata: The Promise and Pitfalls of Mexico's New Security Policy Against Organized Crime*, Brookings Institution, February 2013; Phil Williams, "The Terrorism Debate Over Mexican Drug Trafficking Violence, *Terrorism and Political Violence*, 24:2, 2012.

2019.[13] The DTOs appear to lack a discernible political goal or ideology, which is one element of a widely recognized definition of terrorism.

Figure 2. 2018 Homicide Rates by Mexican State (per 100,000)

Sources: Secretariat of Security and Citizen Protection and population projections from the National Population Council in Mexico, adapted from the Center for Strategic and International Studies (CSIS) publication authored by Mary Speck, "Great Expectations and Grim Realities in AMLO's Mexico," Washington, DC, May 2019.

Note: Homicide rates were calculated using intentional homicides (*homicidos dolosos*).

Corruption and Government Institutions

The criminal involvement of state governors with the DTOs and other criminals reflects the extent of corruption into the layers of government and across parties in Mexico.[14] Twenty former state governors, many from the long-dominant Institutional Revolutionary Party (PRI), were under investigation or in jail in 2018.[15] Over the six years of PRI President Peña Nieto's term (2012-2018), Mexico fell 32 places in Transparency International's Corruption Perception Index.[16]

[13] CRS Insight IN11205, *Designating Mexican Drug Cartels as Foreign Terrorists: Policy Implications*, coordinated by Liana W. Rosen.

[14] For more on the issue of corruption and impunity in Mexico, see Roberto Simon and Geert Aalbers, "The Capacity to Combat Corruption (CCC) Index, Americas Society and the Council of the Americas (AS/COA) and Control Risks, June 2019, at http://americasquarterly.org/sites/default/files/images/CCC_Report2019.pdf; CRS Report R45733, *Combating Corruption in Latin America: Congressional Considerations*, coordinated by June S. Beittel.

[15] In the U.S. State Department's Country Reports on Human Rights Practices for 2018, "nearly 20 former governors had been sentenced, faced corruption charges, or were under formal investigation," appears in the Mexico country report. See U.S. State Department, Bureau of Democracy, Human Rights and Labor, *Country Reports on Human Rights Practices for 2018*, April 2019.

[16] See *Corruption Perceptions Index 2018*, Transparency International, January 29, 2018, at

Noteworthy examples of corrupt former governors include

- Javier Duarte of Veracruz (2010-2016) of the PRI, was arrested in Guatemala and extradited to Mexico in August 2017. During his term, the number of persons forcibly disappeared in Veracruz is estimated to exceed 5,000.[17] Following his trial, Duarte received a nine-year sentence in September 2018.
- Roberto Borge of Quintana Roo (2010-2016) of the PRI, wanted on charges of corruption and abuse of public office, was extradited by Panama to Mexico in June 2018.[18]
- Tomás Yarrington of Tamaulipas (1999-2005), also of the PRI, was arrested in Italy in 2017 and extradited to the United States in 2018 for U.S. charges of drug trafficking, money laundering, and other corruption. Since 2012, he has been under investigation for his links to the Gulf Cartel and Los Zetas in Mexico.[19]
- César Duarte of Chihuahua (2010-2016), also of the PRI, has fled Mexico and is an international fugitive wanted on a Red Notice by the International Criminal Police Organization, known as Interpol.[20]

In an unexpected development, Genaro García Luna, a former high-ranking security official, was arrested in Texas in December 2019 on charges of having taken multimillion-dollar bribes from the Sinaloa Cartel. García Luna, who had headed Mexico's Federal Investigation Agency from 2001 to 2005 (under former President Vicente Fox of the National Action Party, or PAN) and then was the country's Secretary of Public Security (under President Calderón, also of PAN), left Mexico in 2012, later seeking to become a naturalized U.S. citizen. President Andrés Manual López Obrador hailed García Luna's arrest as evidence that the Calderón government's fierce enforcement strategy had not successfully repelled the cartels.[21]

Evolution of Efforts to Combat Criminal Groups over 14 Years

Former President Calderón made an aggressive campaign against criminal groups, especially the large DTOs, the central focus of his administration's policy. He sent several thousand Mexican military troops and federal police to combat the organizations in drug trafficking "hot spots" around the country. His government made some dramatic and well-publicized arrests, but few of those captured kingpins were convicted. Between 2007 and 2012, as part of much closer U.S.-Mexican security cooperation, the Mexican government significantly increased extraditions to the United States, with a majority of the suspects wanted by the U.S. government on drug trafficking

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https://www.transparency.org/cpi2018 and https://www.transparency.org/news/feature/cpi-2018-regional-analysis-americas.

[17] Patrick J. McDonnell and Cecilia Sanchez, "A Mother Who Dug in a Mexican Mass Grave to Find the 'Disappeared' Finally Learns Her Son's Fate," *Los Angeles Times*, March 20, 2017.

[18] BBC News, "Mexico Fugitive Ex-Governor Roberto Borge Extradited," January 4, 2018, at https://www.bbc.com/news/world-latin-america-42564581; Rafael Martínez, "Vinculan a proceso a exgobernador de Quintana Roo, Roberto Borge," El Sol de México, November 13, 2019, at https://www.elsoldemexico.com.mx/republica/justicia/vinculan-a-proceso-a-exgobernador-de-quintana-roo-roberto-borge-concesiones-isla-mujeres-4451151.html.

[19] U.S. Department of Justice, "Former Mexican Governor Extradited to the Southern District of Texas," press release, April 20, 2018, at https://www.justice.gov/usao-sdtx/pr/former-mexican-governor-extradited-southern-district-texas.

[20] Jacob Sánchez, "Gobierno de Chihuahua anuncia cacería de propiedades de César Duarte en EU," *El Sol de México*, November 27, 2019, at https://www.elsoldemexico.com.mx/incoming/gobierno-de-chihuahua-anuncia-caceria-de-propiedades-de-cesar-duarte-en-eu-4512722.html.

[21] U.S. Department of Justice, "Former Mexican Secretary of Public Security Arrested for Drug-Trafficking Conspiracy and Making False Statements," press release, December 10, 2019.

and related charges. The number of extraditions peaked in 2012 but remained steady during President Peña Nieto's term (although have tapered off under the current president). Another result of the "militarized" strategy used in successive Mexican administrations was an increase in accusations of human rights violations against the Mexican military, which was largely untrained in domestic policing.

Several observers have noted the severe human rights violations involving Mexican military and police forces, which, at times, reportedly have colluded with Mexico's criminal groups. According to a press investigation of published Mexican government statistics, Mexican armed forces injured or killed some 3,900 individuals in their domestic operations between 2007 and 2014 and labeled victims as *civilian aggressors*.[22] According to the report, the government data do not clarify the causes for a high death rate (about 500 were injuries and the rest killings) or specify which of the military's victims were armed and which were bystanders. (Significantly, the military's role in injuries and killings was no longer made public after 2014 according to the account.[23])

President Peña Nieto pledged he would take a new direction in his security policy that would focus on reducing criminal violence that affects civilians and businesses and be less oriented toward removing the leaders of the large DTOs. Ultimately, that promise was not met. His then-attorney general, Jesús Murillo Karam, said in 2012 that Mexico faced challenges from some 60 to 80 crime groups operating in the country whose proliferation he attributed to the predecessor Calderón government's kingpin strategy.[24] However, despite Peña Nieto's stated commitment to shift the government's approach, analysts found considerable continuity between the approaches of Peña Nieto and Calderón.[25] The Peña Nieto government recentralized control over security and continued to use a strategy of taking down the top drug kingpins, adopting the same list of top trafficker targets while adapting it over the years. Significantly, the long process of fragmentation has continued to splinter Mexico's criminal groups.[26]

President Peña Nieto continued cooperation with the United States under the Mérida Initiative, which began during President Calderón's term. The Mérida Initiative, a bilateral anticrime assistance package launched in 2008, initially focused on providing Mexico with hardware, such as planes, scanners, and other equipment, to combat the DTOs. The $3 billion effort (through 2018) shifted in recent years to focus on training and technical assistance for the police and enactment of judicial reform, including training at the local and state levels, southern border enhancements, and crime prevention. After some reorganization of bilateral cooperation efforts, the Peña Nieto government continued the Mérida programs. Peña Nieto's focus on crime prevention, which received significant attention early in his term, eventually was ended due to budget cutbacks.[27]

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[22] Steve Fisher and Patrick J. McDonnell, "Mexico Sent in the Army to Fight the Drug War. Many Question the Toll on Society and the Army Itself," *Los Angeles Times*, June 18, 2018.

[23] Fisher and McDonnell, "Mexico Sent in the Army."

[24] Patrick Corcoran, "Mexico Has 80 Drug Cartels: Attorney General," *In Sight Crime: Organized Crime in the Americas*, December 20, 2012.

[25] Vanda Felbab-Brown, *Changing the Game or Dropping the Ball? Mexico's Security and Anti-Crime Strategy Under President Peña Nieto*, Latin American Initiative, Brookings, November 2014. Velbab-Brown maintains that the government of Peña Nieto "has largely slipped into many of the same policies of President Felipe Calderón."

[26] Scott Stewart, "Tracking Mexico's Cartels in 2019," *Stratfor Worldview*, January 29, 2019.

[27] With the sharp oil price declines in 2014 onward, the administration was forced to impose budget austerity measures, including on aspects of security. See CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*, by Clare Ribando Seelke.

On December 1, 2018, Andrés Manuel López Obrador, the populist leftist leader of the National Regeneration Movement (MORENA) party, took office for a six-year term after winning 53% of the vote in July elections. The new president pledged to make Mexico a more just and peaceful society, but he also vowed to govern with austerity. López Obrador aims to build infrastructure in southern Mexico, revive the state oil company, and promote social programs.[28] Given fiscal constraints and rising insecurity, observers question whether his goals are attainable.[29]

President López Obrador has backed constitutional reforms to allow military involvement in public security to continue for five more years, despite a 2018 Supreme Court ruling that prolonged military involvement in security violated the constitution. He secured congressional approval to stand up a new 80,000-strong National Guard (composed of military police, federal police, and new recruits) to combat crime. This action surprised many in the human rights community, who succeeded in persuading Mexico's Congress to modify López Obrador's original proposal to ensure the National Guard will be under civilian command. The first assignment for about 20,000 members of the newly composed force involved more vigorous migration enforcement to comply with Trump Administration demands. López Obrador also created a presidential commission to coordinate efforts to investigate an unresolved case from 2014 in which 43 youth in Guerrero state are alleged to have been murdered by a drug cartel.

At the end of his first year in office, President López Obrador has remained popular, although his denials that homicide levels have continued to increase and his criticism of the press for not providing more positive coverage have raised concerns. Some analysts question his commitment to combat corruption and refocus efforts to curb Mexico's crime-related violence. During his presidential campaign, López Obrador said he would consider unconventional approaches, such as legalization of some drugs.[30] However, a significant security policy to combat the DTOs, beyond adopting an approach to deter vulnerable youth from crime and a commitment to stop fighting the organizations' violence with violence (or "fire with fire"), has yet to be articulated.

Congressional Concerns

Over the past decade, Congress has held numerous oversight hearings addressing the violence in Mexico, U.S. counternarcotics assistance, and border security issues. Congressional concern increased in 2012, after U.S. consulate staff and security personnel working in Mexico came under attack.[31] (Two U.S. officials traveling in an embassy vehicle were wounded in an attack allegedly abetted by corrupt Mexican police.[32]) Occasional use of car bombs, grenades, and rocket-propelled grenade launchers—such as the one used to bring down a Mexican army helicopter in 2015—continue to raise concerns that some Mexican drug traffickers may be adopting insurgent or terrorist techniques.

[28] CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*, by Clare Ribando Seelke.

[29] Laura Weiss, "Can AMLO End Mexico's Drug War?," *World Politics Review*, May 16, 2019.

[30] For more on the President's approach to security, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by Clare Ribando Seelke and Edward Y. Gracia.

[31] In 2011, a U.S. Immigration and Customs Enforcement (ICE) agent was killed and another wounded in a drug gang shooting incident in San Luis Potosí, north of Mexico City. See "U.S. Immigration Agent Shot Dead in Mexico Attack," BBC News, February 16, 2011.

[32] C. Archibold and Karla Zabludovsky, "Mexico Detains 12 Officers in Attack on Americans in Embassy Vehicle," *New York Times*, August 28, 2012; Michael Weissenstein and Olga R. Rodriguez, "Mexican Cops Detained in Shooting of US Government Employees That Highlights Police Problems," Associated Press, August 27, 2012.

Perceived harms to the United States from the DTOs, or transnational criminal organizations (TCOs), as the U.S. Department of Justice now identifies them, are due in large part to the organizations' control of and efforts to move illicit drugs and to expand aggressively into the heroin (or plant-based) and synthetic opioids market. Mexico experienced a sharp increase in opium poppy cultivation between 2014 and 2018, and increasingly Mexico has become a transit country for powerful synthetic opioids. This corresponds to an epidemic of opioid-related deaths in the United States, which continues to increase demand for both heroin and synthetic opioids. According to the Centers for Disease Control and Prevention, of the 72,000 Americans who died of drug overdoses in 2017, nearly 28,500 involved fentanyl or a similar analog of the synthetic drug—45% more than in 2016.[33] Meanwhile, in Mexico, attacks on political candidates and sitting officials in the 2018 electoral season caused several candidates to withdraw from their races to avoid violence to themselves or their staffs and families. This overt political intimidation poses another concerning threat to democracy in Mexico.[34] Crime linked to extortion, forced disappearances, and violent robbery have increased, while crime groups have diversified their activities.[35]

The U.S. Congress has expressed concern over the violence and has sought to provide oversight on U.S.-Mexican security cooperation. The 116th Congress may continue to evaluate how the Mexican government is combating the illicit drug trade, working to reduce related violence, and monitoring the effects of drug trafficking and violence challenges on the security of both the United States and Mexico. In March 2017, the U.S. Senate passed S.Res. 83 in support of both Mexico and China and their efforts to achieve reductions in fentanyl production and trafficking.

Crime Situation in Mexico

The splintering of the large DTOs into competing factions and gangs of different sizes began in 2017 and continues today. The development of these different crime groups, ranging from TCOs to small local mafias with certain trafficking or other crime specialties, has made the crime situation even more diffuse and the groups' criminal behavior harder to eradicate.

The older, large DTOs tended to be hierarchical, often bound by familial ties and led by hard-to-capture cartel kingpins. They have been replaced by flatter, more nimble organizations that tend to be loosely networked. Far more common in the present crime group formation is the outsourcing of certain aspects of trafficking. The various smaller organizations resist the imposition of norms to limit violence. The growth of rivalries among a greater number of organized crime "players" has produced continued violence, albeit in some cases these players are "less able to threaten the state and less endowed with impunity."[36] However, the larger organizations (Sinaloa, for example) that have adopted a cellular structure still have attempted to protect their leadership, as in the 2015 escape orchestrated for Sinaloa leader "El Chapo" Guzmán through a mile-long tunnel from a maximum-security Mexican prison.

[33] Steven Dudley, Deborah Bonello, Jaime López-Aranda et al., "Mexico's Role in the Deadly Rise of Fentanyl," Wilson Center: Mexico Institute and *Insight Crime*, February 2019.

[34] Kevin Sieff, "36 Local Candidates in Mexico Have Been Assassinated, Leading Others to Quit," *Washington Post*, May 21, 2018.

[35] Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública, "Informe de Víctimas de Homocidio, Secuestro y Extorsión 2017," March 20, 2018.

[36] Patrick Corcoran, "Mexico Government Report Points to Ongoing Criminal Fragmentation," *InSight Crime: Organized Crime in the Americas* (hereinafter *InSight Crime*), April 14, 2015.

The scope of the violence generated by Mexican crime groups has been difficult to measure due to restricted reporting by the government and attempts by crime groups to mislead the public. The criminal actors sometimes publicize their crimes in garish displays intended to intimidate their rivals, the public, or security forces, or they publicize the criminal acts of violence on the internet. Conversely, the DTOs may seek to mask their crimes by indicating that other actors or cartels, such as a competitor, are responsible. Some shoot-outs are not reported as a result of media self-censorship or because the bodies disappear;[37] one example is the reported death of a leader of the Knights Templar, Nazario Moreno González, who was reported dead in 2010, but no body was recovered. Rumors of his survival persisted and were confirmed in 2014, when he was killed in a gun battle with Mexican security forces.[38] (See "Knights Templar," below.)

Forced disappearances in Mexico also have become a growing concern, and efforts to accurately count the missing or forcibly disappeared have been limited, a problem that is exacerbated by underreporting. Government estimates of the number of disappeared people in Mexico have varied over time, especially of those who are missing due to force and possible homicide. In the Gulf Coast state of Veracruz, in 2017, a vast mass grave was unearthed containing some 250 skulls and other remains, some of which were found to be years old.[39] Journalist watchdog group Animal Político, which focuses on combating corruption with transparency, concluded in a 2018 investigative article that combating impunity and tracking missing persons cannot be handled in several states because 20 of Mexico's 31 states lack the biological databases needed to identify unclaimed bodies. Additionally, 21 states lack access to the national munitions database used to trace bullets and weapons.[40]

According to the Swiss-based Internal Displacement Monitoring Centre, about 380,000 people were forcibly displaced in Mexico between 2009 and 2018 as a result of violence and organized crime. Some Mexican government authorities have said the number may exceed 1 million, but the definition of the causes of displacement is broad in such a count and includes anyone who moved due to violence. Dislocated Mexicans often cite clashes between armed groups, with Mexican security forces, intergang violence, and fear of future violence as reasons for leaving their homes and communities.[41]

Background on Drug Trafficking in Mexico

DTOs have operated in Mexico for more than a century. The DTOs can be described as global businesses with forward and backward linkages for managing supply and distribution in many countries. As businesses, they are concerned with bringing their product to market in the most efficient way to maximize their profits.

Mexican DTOs are the major wholesalers of illegal drugs in the United States and are increasingly gaining control of U.S. retail-level distribution through alliances with U.S. gangs.

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[37] Christopher Sherman, "Drug War Death Tolls a Guess Without Bodies," Associated Press, March 26, 2013.

[38] Ioan Grillo, *Gangster Warlords* (New York: Bloomsbury Press, 2016). See also Parker Asmann, "Walled Inside Homes, Corpses of Mexico's Disappeared Evade Authorities," *InSight Crime*, July 31, 2019.

[39] Patrick J. McDonnell and Cecilia Sanchez, "A Mother Who Dug in a Mexican Mass Grave to Find the 'Disappeared' Finally Learns Her Son's Fate," *Los Angeles Times*, March 20, 2017; "Mexico Violence: Skulls Found in a New Veracruz Mass Grave," BBC News, March 20, 2017.

[40] Arturo Angel, "Dos Años del Nuevo Sistema Penal: Mejoran los Juicios, pero no el Trabajo de Policías, Fiscalías. Animal Político," June 18, 2018.

[41] Juan Arvizo, "Crimen Displazó a 380 Mil Personas," *El Universal*, July 24, 2019. See also Parker Asmann, "Is the Impact of Violence in Mexico Similar to War Zones?," *InSight Crime*, October 23, 2017.

Their operations, however, are markedly less violent in the United States than in Mexico, despite their reportedly broad presence in many U.S. jurisdictions.

The DTOs use bribery and violence as complementary tactics. Violence is used to discipline employees, enforce transactions, limit the entry of competitors, and coerce. Bribery and corruption help to neutralize government action against the DTOs, ensure impunity, and facilitate smooth operations. The proceeds of drug sales (either laundered or as cash smuggled back to Mexico) are used in part to corrupt U.S. and Mexican border officials,[42] Mexican law enforcement, security forces, and public officials either to ignore DTO activities or to actively support and protect the DTOs. Mexican DTOs advance their operations through widespread corruption; when corruption fails to achieve cooperation and acquiescence, violence is the ready alternative.

The relationship of Mexico's drug traffickers to the government and to one another is a rapidly evolving picture, and any current snapshot (such as the one provided in this report) must be continually adjusted. In the early 20th century, Mexico was a source of marijuana and heroin trafficked to the United States, and by the 1940s, Mexican drug smugglers were notorious in the United States. The growth and entrenchment of Mexico's drug trafficking networks occurred during a period of one-party rule in Mexico by the PRI, which governed for 71 years. During that period, the government was centralized and hierarchical, and, to a large degree, it tolerated and protected some drug production and trafficking in certain regions of the country, even though the PRI government did not generally tolerate crime.[43]

Mexico is a longtime recipient of U.S. counterdrug assistance, but cooperation was limited between the mid-1980s and mid-2000s due to U.S. distrust of Mexican officials and Mexican sensitivity about U.S. involvement in the country's internal affairs. Numerous accounts maintain that for many years the Mexican government pursued an overall policy of accommodation. Under this system, arrests and eradication of drug crops took place, but due to the effects of widespread corruption, the system was "characterized by a working relationship between Mexican authorities and drug lords" through the 1990s.[44]

The system's stability began to fray in the 1990s, as Mexican political power decentralized and the push toward democratic pluralism began, first at the local level and then nationally with the election of PAN candidate Vicente Fox as president in 2000.[45] The process of democratization upended the equilibrium that had developed between state actors (such as the Federal Security Directorate, which oversaw domestic security from 1947 to 1985) and organized crime. No longer were certain officials able to ensure the impunity of drug traffickers to the same degree and to regulate competition among Mexican DTOs for drug trafficking routes, or *plazas*. To a large extent, DTO violence directed at the government appears to be an attempt to reestablish impunity, while the inter-cartel violence seems to be an attempt to reestablish dominance over specific drug trafficking plazas. The intra-DTO violence (or violence inside the organizations) reflects a reaction to suspected betrayals and the competition to succeed killed or arrested leaders.

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[42] For further discussion of corruption of U.S. and Mexican officials, see Loren Riesenfeld, "Mexico Cartels Recruiting US Border Agents: Inspector General," *InSight Crime*, April 16, 2015; CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin Finklea.

[43] Luis Astorga and David A. Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies*, UC San Diego, Center for U.S.-Mexican Studies, Working Paper 10-01, 2010, p. 5.

[44] Francisco E. González, "Mexico's Drug Wars Get Brutal," *Current History*, February 2009.

[45] Shannon O'Neil, "The Real War in Mexico: How Democracy Can Defeat the Drug Cartels," *Foreign Affairs*, vol. 88, no. 4 (July/August 2009).

Links Between Crime Groups and Mexican Law Enforcement, and Other High-Ranking Officials

According to an April 2019 report of the University of San Diego's Justice in Mexico project, "The ability of organized crime groups to thrive hinges critically on the acquiescence, protection, and even active involvement of corrupt government officials, as well as corrupt private sector elites, who share the benefits of illicit economic activities."

In Mexico, arrests of police and other public officials accused of cooperating with the drug trafficking organizations have rarely been followed by convictions, although a few prominent cases involving official corruption have achieved results. Police corruption has been so extensive that law enforcement officials sometimes carry out the violent assignments from drug trafficking organizations and other criminal groups. Purges of Mexico's municipal, state, and federal police have not rid the police of this enduring problem.

When Joaquín "El Chapo" Guzmán escaped a second time from a federal maximum-security prison in 2015, scores of Mexican prison personnel were arrested. Eventually, the prison warden was fired. Guzmán, who led Mexico's notorious Sinaloa Cartel for decades, was extradited to the United States in early 2017. In February 2019, he was convicted in federal court in New York for multiple counts of operating a continuing criminal enterprise. Some of the New York trial's most incendiary testimony alleged that former senior Mexican government officials took bribes from Guzmán. One prosecution witness alleged that then-President Enrique Peña Nieto (2012-2016) received a $100 million bribe from Guzmán, an allegation Peña Nieto strongly disputed; some observers maintain that allegation was far-fetched.

Sources: Laura Y. Calderón, Kimberly Heinle, Octavio Rodríguez, and David A. Shirk, *Organized Crime and Violence in Mexico*, University of San Diego, April 2019; Reuters.com, "Mexico Says Officials Must Have Helped Drug Lord Guzman Escape," July 13, 2015; Univision.com, "México Dice que El Chapo Necesitó 'la Complicidad del Personal' de la Cárcel," July 13, 2015; David Agren, "Witness: 'El Chapo' Bribed Ex-Mexican President," *Washington Post*, January 16, 2019; "The Trial of El Chapo and Mexican Politics," *LatinNews*, Mexico and NAFTA, January 2019; Alan Feuer, "The Public Trial of El Chapo, Held Partially in Secret," *New York Times*, November 2018; Steven Dudley, "The End of the Big Cartels-Why There Won't Be Another Chapo," *InSight Crime*, March 18, 2019.

Before this political development, an important transition of Mexico's role in the international drug trade took place during the 1980s and early 1990s. As Colombian DTOs were forcibly broken up, Mexican traffickers gradually took over the highly profitable traffic in cocaine to the United States. Intense U.S. government enforcement efforts led to the shutdown of the traditional trafficking route used by the Colombians through the Caribbean. As Colombian DTOs lost this route, they increasingly subcontracted the trafficking of cocaine produced in the Andean region to the Mexican DTOs, which they paid in cocaine rather than cash. These already-strong Mexican organizations gradually took over the cocaine trafficking business, evolving from being mere couriers for the Colombians to being the wholesalers they are today.

As Mexico's DTOs rose to dominate the U.S. drug markets in the 1990s, the business became even more lucrative. This shift raised the stakes, which encouraged the use of violence in Mexico to protect and promote market share. The violent struggle among DTOs over strategic routes and warehouses where drugs are consolidated before entering the United States reflects these higher stakes. Today, the major Mexican DTOs are polydrug, handling more than one type of drug, although they may specialize in the production or trafficking of specific products. According to the U.S. State Department's 2019 *International Narcotics Control Strategy Report* (INCSR), Mexico is a significant source and transit country for heroin, marijuana, and synthetic drugs such as methamphetamine and to a lesser degree fentanyl destined for the United States.

The extent of Mexico's role in production of the synthetic opioid fentanyl, which is 30 to 50 times more potent than heroin, is less known, although Mexico's role in fentanyl trafficking is increasingly well documented.[46] Mexico remains the main trafficking route for U.S.-bound

[46] U.S. Department of Justice, Drug Enforcement Administration (DEA), 2017 *National Drug Threat Assessment*,

cocaine from the major supply countries of Colombia and (to a lesser extent) Peru and Bolivia.[47] The west coast state of Sinaloa, with its long coastline and difficult-to-access areas, is favorable for drug cultivation and remains the heartland of Mexico's drug trade. Marijuana and poppy cultivation has flourished in the state for decades.[48] It has been the source of Mexico's most notorious and successful drug traffickers.

Components of Mexico's Drug Supply Market

Cocaine. Cocaine of Colombian origin supplies most of the U.S. market, and most of that supply is trafficked through Mexico, with Mexican drug traffickers the primary wholesalers of cocaine to the United States. According to the State Department's 2019 INCSR published in March 2019, coca cultivation and cocaine production in Colombia rose sharply, with the U.S. government estimating that Colombia produced a record 921 metric tons of pure cocaine in 2017.[49] For 2018, the U.S. government reported that Colombia's coca cultivation dropped slightly to 208,000 hectares (ha), and its potential cocaine production declined to an estimated 887 metric tons.[50]

Heroin and Synthetically Produced Opioids. In its 2018 *National Drug Threat Assessment* (NDTA), the Drug Enforcement Administration (DEA) warns that Mexican TCOs present an acute threat to U.S. communities given their dominance in heroin and fentanyl exports. In Mexico, the drug traffickers have driven up the homicide and extortion rates and led to a rising homicide rate in recent years, projected to climb to 29 homicides per 100,000 individuals in 2019, based on current estimates.[51] Mexico's heroin traffickers, who traditionally provided black or brown heroin to U.S. cities west of the Mississippi, began in 2012 and 2013 to innovate and changed their opium processing methods to produce white heroin, a purer and more potent product, which they trafficked mainly to the U.S. East Coast and Midwest. DEA seizure data determined in 2017 that 91% of heroin consumed in the United States was sourced to Mexico, and the agency maintains that no other crime groups have a comparable reach to distribute within the United States.[52]

According to the 2019 INCSR and the U.S. Office of National Drug Control Policy, Mexico has cultivated an increasing amount of opium poppy. Mexico cultivated an estimated 32,000 ha in 2016, 44,100 ha in 2017, and 41,800 ha in 2018. The U.S. government estimated that Mexico's

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DEA-DCT-DIR-040-1, October 2017. See also Steven Dudley, "The End of the Big Cartels-Why There Won't be Another El Chapo," *InSight Crime*, March 18, 2019. According to the article, "Chinese companies produce the vast majority of fentanyl, fentanyl analogs, and fentanyl precursors, but Mexico is becoming a major transit and production point for the drug and its analogs as well."

[47] U.S. State Department, *International Narcotics Control Strategy Report*, (INCSR), Vol. 1, March 2019. (Hereinafter, INCSR, 2019).

[48] The region where Sinaloa comes together with the states of Chihuahua and Durango is a drug-growing area sometimes called Mexico's "Golden Triangle" after the productive area of Southeast Asia by the same name. In this region, according to press reports, a third of the population is estimated to make their living from the illicit drug trade.

[49] U.S. Office of National Drug Control Policy (ONDCP), "New Annual Data Released by White House Drug Policy Office Shows Record High Coca Cultivation and Cocaine Production in Colombia," press release, June 25, 2018.

[50] White House, "ONDCP Reports Cocaine production in Colombia is Leveling Off," June 26, 2019, at https://www.whitehouse.gov/briefings-statements/ondcp-reports-cocaine-production-colombia-leveling-off/.

[51] Anthony Harrup, "Mexico's Murder Rate Hit Record High in 2018," *Wall Street Journal*, July 29, 2019; Patrick Corcoran, "Why Are More People Being Killed in Mexico in 2019," *InSight Crime*, August 9, 2019.

[52] ONDCP, "New Annual Data Released by White House Office of National Drug Control Policy Shows Poppy Cultivation and Potential Heroin Production Remain at Record-High Levels in Mexico," press release, June 14, 2019. See also U.S. Department of Justice, DEA, 2018 National Drug Threat Assessment, DEA-DCT-DIR-032-18, October 2018.

potential production of heroin rose to 106 metric tons in 2018 from 26 metric tons in 2013, suggesting Mexican-sourced heroin is likely to remain dominant in the U.S. market.[53] Some analysts believe, however, that plant-sourced drugs, such as heroin and morphine, are going to be increasingly replaced in the criminal market by synthetic drugs. If that happens, it is possible the drug cartel structure that has relied upon control of opium production, heroin manufacture, and the distribution channels of the plaza system in Mexico and the criminal distribution system inside the United States may be transformed. Simultaneously, poor Mexican farmers who cultivate opium to produce heroin may be thrown out of work.[54]

Illicit imports of fentanyl from Mexico involve Chinese fentanyl or fentanyl precursors coming most often from China. In addition, these traffickers adulterate fentanyl imported from China and smuggle it into the United States. Some reporters maintain in their contacts with traffickers who "cook" fentanyl in laboratories that these cartel cooks are not mixing their product with heroin any longer. These reporters contend that DTOs trafficking heroin are deemphasizing heroin-fentanyl combinations and sending pure fentanyl to the United States or primarily fentanyl-based products, such as counterfeit pills.[55]

Cannabis. In 2017, Mexico seized 421 metric tons of marijuana and eradicated more than 4,230 ha of marijuana, according to the State Department's 2019 INCSR. However, some analysts foresee a decline in U.S. demand for Mexican marijuana because drugs "other than marijuana" will likely become dominant in the future. This projection relates to more marijuana being grown legally in several states in the United States and Canada, which have either legalized cannabis or made it legal for medical purposes, thus decreasing its value as part of Mexican trafficking organizations' profit portfolio.

Methamphetamine. Mexican-produced methamphetamine has overtaken U.S. sources of the drug and expanded into nontraditional methamphetamine markets inside the United States. The expansion of methamphetamine seizures inside Mexico, as reported by the annual INCSR, is significant. In 2017, Mexico seized some 11.3 metric tons of methamphetamine, but in 2018, as of August, Mexican authorities had seized 130 metric tons of methamphetamine. This increase is in part the result of an arrest and seizure of some 50 metric tons of the drug in Sinaloa.[56] The purity and potency of methamphetamine has driven up overdose deaths in the United States, according to the 2018 NDTA. Most Mexican trafficking organizations include a portion of the methamphetamine business in their trafficking operations and collectively control the wholesale methamphetamine distribution system inside the United States.

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[53] ONDCP, "New Annual Data Released by White House Office of National Drug Control Policy Shows Poppy Cultivation and Potential Heroin Production Remain at Record-High Levels in Mexico," press release, June 14, 2019. See also INCSR, 2019.

[54] For sources of the concepts here, see Steven Dudley, "The End of the Big Cartels-Why There Won't Be Another Chapo," *InSight Crime*, March 18, 2019; Testimony of Bryce Pardo, Associate Policy Researcher, RAND Corporation, to House Homeland Security on Intelligence and Counterterrorism Subcommittee and Border Security, Facilitation, and Operations Hearing, "Homeland Security Implications of the Opioid Crisis," July 25, 2019.

[55] Deborah Bonello, "In El Chapo's Mexico, Fentanyl is the New Boom Drug," VICE, February 18, 2019. The article notes, fentanyl seizures have spiked along the U.S. Southwest border and elsewhere in route from Mexico: "a 700 percent increase in seizures… from six in 2015 to 54 in 2017." Additionally, some northern Mexican cities are seeing fentanyl use appear. See Arthur DeBruyne, "An Invisible Fentanyl Crisis Emerging on Mexico's Northern Border," *Pacific Standard*, February 6, 2019.

[56] DeBruyne, "Invisible Fentanyl Crisis." See also "50 Tonnes of Meth Seized in Sinaloa; Estimated Value US $5 Billion," *Mexico New Daily*, August 18, 2018; Mike La Susa, "Massive Mexico Methamphetamine Seizure Reflects Market Shifts," *InSight Crime*, August 21, 2018.

Note on U.S.-Mexican Enforcement Cooperation. The Mexican government increased its eradication efforts of opium poppy and cannabis, targeting both plant-based drugs. According to the State Department's 2019 INCSR, U.S. government assistance helped to push back on the growing involvement of the Mexican criminal groups in heroin and fentanyl trafficking by providing drug interdiction equipment to destroy drug labs, equipment for poppy eradication, and equipment for maritime interdiction. The Mexican government seized 356 kilograms of heroin, and eradicated about 29,200 ha of opium poppy. Regarding clandestine drug laboratories, Mexico dismantled some 103 labs in 2017.[57]

Evolution of the Major Drug Trafficking Groups

The DTOs have been in constant flux in recent years.[58] By some accounts, when President Calderón came to office in 2006, there were four dominant DTOs: the Tijuana/Arellano Félix organization (AFO), the Sinaloa Cartel, the Juárez/Vicente Carillo Fuentes Organization (CFO), and the Gulf Cartel. Since then, the large, more stable organizations that existed in the earlier years of the Calderón administration have fractured into many more groups. For several years, the DEA identified the following organizations as dominant: Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, and La Familia Michoacana. In some sense, these might be viewed as the "traditional" DTOs. However, many analysts suggest that those 7 groups have fragmented to between 9 and as many as 20 major organizations. Today, fragmentation, or "balkanization," of the major crime groups has been accompanied by many groups' diversification into other types of criminal activity. The following section focuses on nine DTOs whose current status illuminates the fluidity of all the crime groups in Mexico as they face new challenges from competition and changing market dynamics.

Nine Major DTOs

Reconfiguration of the major DTOs—often called transnational criminal organizations, or TCOs, due to their diversification into other criminal businesses—preceded the fragmentation that is common today. The Gulf Cartel, based in northeastern Mexico, had a long history of dominance in terms of power and profits, with the height of its power in the early 2000s. However, the Gulf Cartel's enforcers—Los Zetas, who were organized from highly trained Mexican military deserters—split to form a separate DTO and turned against their former employers, engaging in a hyper-violent competition for territory.

The well-established Sinaloa DTO, with roots in western Mexico, has fought brutally for increased control of routes through the border states of Chihuahua and Baja California, with the goal of remaining the dominant DTO in the country. Sinaloa has a more decentralized structure of loosely linked smaller organizations, which has been susceptible to conflict when units break away. Nevertheless, the decentralized structure has enabled it to be quite adaptable in the highly competitive and unstable environment that now prevails.[59]

Sinaloa survived the arrest of its billionaire founder Joaquín "El Chapo" Guzmán in 2014. The federal operation to capture and detain Guzmán, which gained support from U.S. intelligence,

[57] INCSR, 2019.

[58] See Patrick Corcoran, "How Mexico's Underworld Became Violent," *InSight Crime*, April 2, 2013. According to this article, constant organizational flux, which continues today, characterizes violence in Mexico.

[59] Oscar Becerra, "Traffic Report–Battling Mexico's Sinaloa Cartel," *Jane's Information Group*, May 7, 2010. The author describes the networked structure: "The Sinaloa Cartel is not a strictly vertical and hierarchical structure, but instead is a complex organization containing a number of semiautonomous groups."

was viewed as a major victory for the Peña Nieto government. Initially the kingpin's arrest did not spawn a visible power struggle. His dramatic escape in July 2015 followed by his rearrest in January 2016, however, raised speculation that his role in the Sinaloa Cartel might have become more as a figurehead, rather than a functional leader.

The Mexican government's decision to extradite Guzmán to the United States, carried out on January 19, 2017, appears to have led to violent competition from a competing cartel, the Cartel Jalisco New Generation (CJNG), which had split from Sinaloa in 2010. Over 2016 and the early months of 2017, the CJNG's quick rise and a possible power struggle inside of Sinaloa between El Chapo's sons and a successor to their father, a longtime associate known as "El Licenciado," reportedly caused increasing violence.[60]

In the Pacific Southwest, La Familia Michoacana—a DTO once based in the state of Michoacán and influential in surrounding states—split apart in 2015. It eventually declined in importance as its successor, the Knights Templar, grew in prominence in the region known as the *Tierra Caliente* of Michoácan, Guerrero, and in parts of neighboring states Colima and Jalisco. At the same time, the CJNG rose to prominence between 2013 and 2015 and is currently deemed by many analysts to be the most dangerous and largest Mexican cartel. The CJNG has thrived with the decline of the Knights Templar, which was targeted by the Mexican government.[61]

Open-source research about the "traditional" DTOs and their successors mentioned above is more available than information about smaller factions. Current information about the array of new regional and local crime groups, numbering more than 45 groups, is more difficult to assess. The once-coherent organizations and their successors are still operating, both in conflict with one another and at times cooperatively.

Tijuana/Arellano Félix Organization

The AFO is a regional "tollgate" organization that historically has controlled the drug smuggling route between Baja California (Mexico) to southern California.[62] It is based in the border city of Tijuana. One of the founders of modern Mexican DTOs, Miguel Ángel Félix Gallardo, a former police officer from Sinaloa, created a network that included the Arellano Félix family and numerous other DTO leaders (such as Rafael Caro Quintero, Amado Carrillo Fuentes, and Joaquín "El Chapo" Guzman). The seven "Arellano Félix" brothers and four sisters inherited the AFO from their uncle, Miguel Ángel Félix Gallardo, after his arrest in 1989 for the murder of DEA Special Agent Enrique "Kiki" Camarena.[63]

The AFO was once one of the two dominant DTOs in Mexico, infamous for brutally controlling the drug trade in Tijuana in the 1990s and early 2000s.[64] The other was the Juárez DTO, also

[60] Anabel Hernández, "The Successor to El Chapo: Dámaso López Núñez," *InSight Crime*, March 13, 2017.

[61] Luis Alonso Pérez, "Mexico's Jalisco Cartel—New Generation: From Extinction to World Domination," *InSight Crime* and *Animal Politico*, December 26, 2016.

[62] John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Crime in Mexico: Democratic Governance in a Security Trap* (Boulder: FirstForum Press, 2014), p. 121. Mexican political analyst Eduardo Guerrero-Gutiérrez of the Mexican firm Lantia Consulting defines a "toll-collector" cartel or drug trafficking organization (DTO) as one that derives much of the organization's income from charging fees to other DTOs using their transportation point across the U.S.-Mexican border.

[63] Special Agent Camarena was an undercover DEA agent working in Mexico who was kidnapped, tortured, and killed in 1985. The Guadalajara-based Félix Gallardo network broke up in the wake of the investigation of its role in the murder.

[64] Mark Stevenson, "Mexico Arrests Suspected Drug Trafficker Named in US Indictment," Associated Press, October

known as the Carrillo Fuentes Organization. The Mexican government and U.S. authorities took vigorous enforcement action against the AFO in the early years of the 2000s, with the arrests and killings of the five brothers involved in the drug trade—the last of whom was captured in 2008.

In 2008, Tijuana became one of the most violent cities in Mexico. That year, the AFO split into two competing factions when Eduardo Teodoro "El Teo" García Simental, an AFO lieutenant, broke from Fernando "El Ingeniero" Sánchez Arellano (the nephew of the Arellano Félix brothers who had taken over the management of the DTO). García Simental formed another faction of the AFO, reportedly allied with the Sinaloa DTO.[65] Further contributing to the escalation in violence, other DTOs sought to gain control of the profitable Tijuana/Baja California-San Diego/California plaza in the wake of the power vacuum left by the earlier arrests of the AFO's key players.

Some observers believe that the 2010 arrest of García Simental created a vacuum for the Sinaloa DTO to gain control of the Tijuana/San Diego smuggling corridor.[66] Despite its weakened state, the AFO appears to have maintained control of the plaza through an agreement made between Sánchez Arellano and the Sinaloa DTO's leadership, with Sinaloa and other trafficking groups paying a fee to use the plaza.[67] Some analysts credit the relative peace in Tijuana to a law enforcement success, but it is unclear how large of a role policing strategy played.

In 2013, the DEA identified Sánchez Arellano as one of the six most influential traffickers in the region.[68] Following his arrest in 2014, however, Sánchez Arellano's mother, Enedina Arellano Félix, who was trained as an accountant, reportedly took over. It remains unclear if the AFO retains enough power through its own trafficking and other crimes to continue to operate as a tollgate cartel. Violence in Tijuana rose to more than 100 murders a month in late 2016, with the uptick in violence attributed to Sinaloa battling its new challenger, the CJNG, according to some analyses.[69] The CJNG apparently has taken an interest in both local drug trafficking inside Tijuana and cross-border trafficking into the United States. As in other parts of Mexico, the role of the newly powerful CJNG organization may determine the nature of the area's DTO configuration in coming years.[70] Some analysts maintain the resurgence of violence in Tijuana and the spiking homicide rate in the nearby state of Southern Baja California are linked to the CJNG forging an alliance with remnants of the AFO. In 2018, Tijuana was the city with the highest number of homicides in the country, with 2,246 homicides, or a homicide rate of 115 per 100,000, suggesting the violence that receded in 2012 has returned to the municipality.[71]

24, 2013.

[65] Steven Dudley, "Who Controls Tijuana?," *InSight Crime*, May 3, 2011. Fernando "El Ingeniero" Sánchez Arellano, nephew of the founding Arellano Félix brothers, took control in 2006 after the arrest of his uncle, Javier Arellano Félix.

[66] E. Eduardo Castillo and Elliot Spagat, "Mexico Arrests Leader of Tijuana Drug Cartel," Associated Press, June 24, 2014.

[67] "Mexico Security Memo: Torreon Leader Arrested, Violence in Tijuana," *Stratfor Worldview*, April 24, 2013, at http://www.stratfor.com/analysis/mexico-security-memo-torreon-leader-arrested-violence-tijuana#axzz37Bb5rDDg. In 2013, Nathan Jones at the Baker Institute for Public Policy asserted that the Sinaloa-AFO agreement allows those allied with the Sinaloa DTO, such as the Cártel Jalisco Nueva Generación, or otherwise not affiliated with Los Zetas to also use the plaza. See "Explaining the Slight Uptick in Violence in Tijuana" for more information at http://bakerinstitute.org/files/3825/.

[68] Castillo and Spagat, "Mexico Arrests Leader."

[69] Christopher Woody, "Mexico Is Settling into a Violent Status Quo," *Houston Chronicle*, March 21, 2017.

[70] Sandra Dibble, "New Group Fuels Tijuana's Increased Drug Violence," *San Diego Union Tribune*, February 13, 2016; Christopher Woody, "Tijuana's Record Body Count Is a Sign That Cartel Warfare Is Returning to Mexico," *Business Insider*, December 15, 2016.

[71] Sam Quinones, "Where the Wall Worked Back," *Politico Magazine*, June 25, 2018; Calderón, Heinle, Rodríguez,

Sinaloa DTO

Sinaloa, described as Mexico's oldest and most established DTO, is comprised of a network of smaller organizations. In April 2009, then-President Barack Obama designated the notorious Sinaloa Cartel as a drug kingpin entity pursuant to the Kingpin Act.[72] Often regarded as the most powerful drug trafficking syndicate in the Western Hemisphere, the Sinaloa Cartel was an expansive network at its apex; Sinaloa leaders successfully corrupted public officials from the local to the national level inside Mexico and abroad to operate in some 50 countries. Traditionally one of Mexico's most prominent organizations, each of its major leaders was designated a kingpin in the early 2000s. At the top of the hierarchy was Joaquín "El Chapo" Guzmán, listed in 2001, Ismael Zambada García ("El Mayo"), listed in 2002, and Juan José "El Azul" Esparragoza Moreno, listed in 2003.

By some estimates, Sinaloa had grown to control 40%-60% of Mexico's drug trade by 2012 and had annual earnings calculated to be as high as $3 billion.[73] The Sinaloa Cartel has long been identified by the DEA as the primary trafficker of drugs to the United States.[74] In 2008, a federation dominated by the Sinaloa Cartel (which included the Beltrán Leyva organization and the Juárez DTO) broke apart, leading to a battle among the former partners that sparked the most violent period in recent Mexican history.

Since its 2009 kingpin designation of Sinaloa, the United States has attempted to dismantle Sinaloa's operations by targeting individuals and financial entities allied with the cartel. For example, in October 2010, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) identified Alejandro Flores Cacho, along with 12 businesses and 16 members of his financial and drug trafficking enterprises located throughout Mexico and Colombia, as collaborators with Sinaloa. (In August 2017, OFAC identified the Flores DTO and its leader, Raúl Flores Hernández, as Kingpins.[75])

The Sinaloa Cartel's longtime most visible leader, "El Chapo" Guzmán, escaped twice from Mexican prisons in 2001 and again in 2015. The second escape in July 2015 was a major embarrassment to the Peña Nieto administration, and that incident may have convinced the Mexican government to extradite the alleged kingpin rather than try him in Mexico after his recapture.

In January 2017, the Mexican government extradited Guzmán to the United States. He was indicted in New York District's federal court in Brooklyn and tried for four months, from November 2018 to February 2019. His lawyers maintained he was not the head of the Sinaloa enterprise and instead a "lieutenant" following orders.[76] Nevertheless, he was convicted by a federal jury in February 2019 and sentenced by a U.S. district judge in July 2019 to a life term in prison, with the addition of 30 years, and ordered to pay $12.6 billion in forfeiture for being the

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and Shirk, *Organized Crime*.

[72] At the same time, the President identified two other Mexican DTOs as Kingpins: La Familia Michoacana and Los Zetas. The Kingpin designation is one of two major programs by the U.S. Department of the Treasury imposing sanctions on drug traffickers; Congress enacted the program sanctioning individuals and entities globally in 1999.

[73] From 2012 on, cartel leader Joaquín "El Chapo" Guzmán Loera was ranked in *Forbes Magazine*'s listing of self-made billionaires.

[74] "Profile: Sinaloa Cartel," *InSight Crime*, January 8, 2016.

[75] U.S. Department of the Treasury, "Treasury Sanctions Longtime Mexican Drug Kingpin Raul Flores Hernandez and His Vast Network: OFAC Kingpin Act Action Targets 22 Mexican Nations and 43 Entities in Mexico," press release, August 9, 2017.

[76] Alan Feuer, "El Chapo May Not Have Been Leader of Drug Cartel, Lawyers Say," *New York Times*, June 26, 2018.

principal leader of the Sinaloa Cartel and for 26 drug-related charges including a murder conspiracy.[77]

After Guzmán's trusted deputy "El Azul" Esparragoza Moreno was reported to have died in 2014, the head of the Sinaloa DTO was assumed to be Guzmán's partner, Ismael Zambada García, alias "El Mayo," who is thought to continue in that leadership role.[78] Sinaloa may operate with a more horizontal leadership structure than previously thought.[79] Sinaloa operatives control certain territories, making up a decentralized network of bosses who conduct business and violence through alliances with each other and local gangs. Local gangs throughout the region specialize in specific operations and are then contracted by the Sinaloa DTO network.[80] The shape of the cartel in the current criminal landscape is evolving, however, as Sinaloa's rivals eye a formidable drug empire built on the proceeds from trafficking South American cocaine, and locally sourced methamphetamine, marijuana, and heroin to the U.S. market.

For a former hegemon in the cartel landscape, the Sinaloa Cartel is now under pressure, and its future remains unclear. Some analysts warn that Sinaloa remains powerful given its dominance internationally and its infiltration of the upper reaches of the Mexican government. Other analysts maintain that Sinaloa is in decline, citing its breakup into factions and violence from inter- and intraorganizational tensions. The CJNG has evidently battled with its former partner, Sinaloa, in a number of regions, and has been deemed by several authorities Mexico's new most powerful and expansive crime syndicate.

Juárez/Carrillo Fuentes Organization

Based in the border city of Ciudad Juárez in the central northern state of Chihuahua, the once-powerful Juárez DTO controlled the smuggling corridor between Ciudad Juárez and El Paso, TX, in the 1980s and 1990s.[81] By some accounts, the Juárez DTO controlled at least half of all Mexican narcotics trafficking under the leadership of its founder, Amado Carrillo Fuentes. Vicente Carrillo Fuentes, Amado's brother, took over the leadership of the cartel when Amado died during plastic surgery in 1997 and reportedly led the Juárez organization until his arrest in October 2014.

In 2008, the Juárez DTO broke from the Sinaloa federation, with which it had been allied since 2002.[82] The ensuing rivalry between the Juárez DTO and the Sinaloa DTO helped to turn Ciudad

[77] DEA, "Joaquín "El Chapo Guzmán, Sinaloa Cartel Leader, Sentenced to Life in Prison Plus 30 Years," press release, July 17, 2019.

[78] Kyra Gurney, "Sinaloa Cartel Leader 'El Azul' Dead? 'El Mayo' Now in Control?," *Insight Crime*, June 9, 2014. Juan José Esparragoza Moreno supposedly died of a heart attack while recovering from injuries sustained in a car accident.

[79] Observers dispute the extent to which Guzmán made key strategic decisions for Sinaloa. Some maintain he was a figurehead whose arrest had little impact on Sinaloa's functioning, as he ceded operational tasks to Ismael Zambada García ("El Mayo") and Esparragoza long before his arrest.

[80] "Revelan Estructura y Enemigos de 'El Chapo'," *Excélsior*, March 26, 2014; John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Crime in Mexico: Democratic Governance in a Security Trap* (Boulder: FirstForum Press, 2014), p. 119.

[81] John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Crime in Mexico: Democratic Governance in a Security Trap* (Boulder, CO: FirstForum Press, 2014), p. 121.

[82] Some analysts trace the origins of the split to a personal feud between "El Chapo" Guzmán of the Sinaloa DTO and former ally Vicente Carrillo Fuentes. In 2004, Guzmán allegedly ordered the killing of Rodolfo Carrillo Fuentes, another of Vicente's brothers. Guzmán's son, Edgar, was killed in May 2008, allegedly on orders from Carrillo Fuentes. See Alfredo Corchado, "Juárez Drug Violence Not Likely to Go Away Soon, Authorities Say," *Dallas Morning News*, May 17, 2010.

Juárez into one of the most violent cities in the world. From 2008 to 2011, the Sinaloa DTO and the Juárez DTO fought a "turf war," and Ciudad Juárez experienced a wave of violence with spikes in homicides, extortion, kidnapping, and theft—at one point reportedly experiencing 10 murders a day.[83] From 2008 to 2012, the violence in Juárez cost about 10,000 lives. Reportedly, more than 15% of the population displaced by drug-related violence inside Mexico between 2006 to 2010 came from the border city, while having only slightly more than 1% of Mexico's population.[84]

Traditionally a major trafficker of both marijuana and South American cocaine, the Juárez Cartel has become active in opium cultivation and heroin production, according to the DEA. Between 2012 and 2013, violence dropped considerably, which some analysts attributed to both the actions of the police and President Calderón's socioeconomic program *Todos Somos Juárez*, or We Are All Juárez.[85] Other analysts credit the Sinaloa DTO with success in its battle over the Juárez DTO after 2012. They consider Sinaloa's dominance, perhaps abetted by local authorities, to be the reason for the relatively peaceful and unchallenged control of the border city despite the Juárez DTO's continued presence in the state of Chihuahua.[86]

Many residents who fled during the years of intense drug-related violence remain reluctant to return to Juárez and cite the elevated homicide rate as one reason.[87] The El Paso and Juárez transit route again appears to be in flux with the rise in killings on the Mexican side of the border since 2016.[88] In 2018, the two cities with the highest number of intentional homicides were Tijuana in Baja California, followed by Ciudad Juárez.[89]

Gulf DTO

Based in the border city of Matamoros, Tamaulipas, with operations in other Mexican states on the Gulf side of Mexico, the Gulf DTO was a transnational smuggling operation with agents in Central and South America.[90] The Gulf DTO was the main competitor challenging Sinaloa for trafficking routes in the early 2000s, but it now battles its former enforcement wing, Los Zetas, over territory in northeastern Mexico. The Gulf DTO reportedly has split into several competing

[83] Steven Dudley, "Police Use Brute Force to Break Crime's Hold on Juárez," *InSight Crime*, February 13, 2013. Some Mexican newspapers such as *El Diario* reported more than 300 homicides a month in 2010 when the violence peaked.

[84] For an in-depth narrative of the conflict in Juárez and its aftermath, see Steven Dudley, "Juárez: After the War," *Insight Crime*, February 13, 2013. For a discussion of out-migration from the city due to drug-related violence, see Viridiana Rios Contreras, "The Role of Drug-Related Violence and Extortion in Promoting Mexican Migration: Unexpected Consequences of a Drug War," *Latin America Research Review*, vol. 49, no. 3 (2014).

[85] Calderón launched the social program *Todos Somos Juárez* and sent the Mexican military into Ciudad Juárez in an effort to drive out DTO proxies and operatives. "Calderón Defiende la Estrategia en Ciudad Juárez en Publicación de Harvard," CNNMexico, February 17, 2013. See also CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin Finklea.

[86] See Steven Dudley, "How Juárez's Police, Politicians Picked Winners of Drug War," *InSight Crime*, February 13, 2013.

[87] As of the end of 2013, only about 10% of those who had fled during the most violent years of 2007-2011 had returned to Ciudad Juárez. See Damien Cave, "Ciudad Juárez, a Border City Known for Killing, Gets Back to Living," *New York Times*, December 13, 2013.

[88] Daniel Borunda, "Mexican Army Again to Patrol Juárez; Military to Increase Presence After Surge in Violence Across Chihuahua," *El Paso Times*, May 14, 2018.

[89] According to Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*, Ciudad Juárez in 2018 had 1,004 murders or about 64 per 100,000, and Tijuana had 2,246 murders or 115 per 100,000 people.

[90] John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Organized Crime in Mexico: Democratic Governance in a Security Trap* (Boulder: FirstForum Press, 2014), p. 120.

gangs. Some analysts no longer consider it a whole entity and maintain that it is so fragmented that factions of its original factions are fighting.[91]

The Gulf DTO arose in the bootlegging era of the 1920s. In the 1980s, its leader, Juan García Ábrego, developed ties to Colombia's Cali Cartel as well as to the Mexican federal police. García Ábrego was captured in 1996 near Monterrey, Mexico.[92] His violent successor, Osiel Cárdenas Guillén, successfully corrupted elite Mexican military forces to become his hired assassins. Those corrupted military personnel became known as Los Zetas when they fused with the Gulf Cartel. In the early 2000s, Gulf was considered one of the most powerful Mexican DTOs. Cárdenas was arrested by Mexican authorities in 2003, but he continued to run his drug enterprise from prison until his extradition to the United States in 2007.[93]

Tensions between the Gulf DTO and Los Zetas culminated in their split in 2010. Antonio "Tony Tormenta" Cárdenas Guillén, Osiel's brother, was killed that year, and leadership of the Gulf went to another high-level Gulf lieutenant, Jorge Eduardo Costilla Sánchez, also known as "El Coss," until his arrest in 2012. Exactly what instigated the Zetas and Gulf split has not been determined, but the growing strength of the paramilitary group and its leader was a factor. Some analysts say Los Zetas blamed the Gulf DTO for the murder of a Zeta close to their leader, which sparked the rift.[94] Others posit the split happened earlier, but the Zetas organization that had brought both military discipline and sophisticated firepower to cartel combat was clearly acting independently by 2010. Regardless, the ensuing bitter conflict between the Gulf DTO and Los Zetas has been identified as the "most violent in the history of organized crime in Mexico."[95]

Mexican federal forces identified and targeted a dozen Gulf and Zeta bosses they believed responsible for the wave of violence in Tamaulipas in 2014.[96] Analysts have reported that the structures of both the Gulf DTO and Los Zetas have been decimated by federal action and combat between each other, and both groups now operate largely as fragmented cells that do not communicate with each other and often take on new names.[97]

From 2014 through 2016, some media sources outside of the state of Tamaulipas and anonymous social media accounts from within Tamaulipas reported daily kidnappings, daytime shootings, and burned down bars and restaurants in towns and cities, such as the port city of Tampico. Like Los Zetas, fragmented cells of the Gulf DTO have expanded into other criminal operations, such as fuel theft and widespread extortion. In the 2018 NDTA, the DEA maintains that the Gulf

[91] Scott Stewart, "Tracking Mexico's Cartels in 2018," *Stratfor Worldview*, February 1, 2018.

[92] Steven Dudley and Sandra Rodríguez, *Civil Society, the Government and the Development of Citizen Security*, Wilson Center Mexico Institute, Working Paper, August 2013, p. 11.

[93] George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New Brunswick, NJ: Transaction Publishers, 2010).

[94] Eduardo Guerrero Gutiérrez, "El Dominio del Miedo," *Nexos*, July 1, 2014. Suspecting the Gulf DTO of the death of Sergio Mendoza, the founder of Los Zetas, Heriberto "El Lazco" Lazcano reportedly offered a 24-hour amnesty period for Gulf operatives to claim responsibility, which they never did. This event, some scholars maintain, was the origin of the split between the groups.

[95] Eduardo Guerrero Gutiérrez is a Mexican security analyst and a former security adviser to President Enrique Peña Nieto. CRS interview in June 2014.

[96] Jorge Monroy, "Caen Tres Lideres de Los Zetas y Cartel de Golfo," *El Economista*, June 18, 2014. In June 2014, Mexican Marines captured three of those identified.

[97] Interview with Eduardo Guerrero, June 2014. "Balkanization," or decentralization of the structure of the organization, does not necessarily indicate that a criminal group is weak but simply that it lacks a strong central leadership. Also, news outlets inside Tamaulipas remain some of the most threatened by DTO cells, so they are intimidated to report on criminal violence and its consequences.

Cartel, around for several decades, today concentrates on cocaine and marijuana trade but "also recently expanded into heroin and methamphetamine ... [and] smuggles a majority of its drug shipments into South Texas through the border region between the Rio Grande Valley and South Padre Island."[98]

Los Zetas

This group originally consisted of former elite airborne special force members of the Mexican Army who defected to the Gulf DTO and became its hired assassins.[99] Although Zeta members are part of a prominent transnational DTO, their main asset is not drug smuggling but organized violence. They have amassed significant power to carry out an extractive business model—thus generating revenue from crimes, such as fuel theft, extortion, human smuggling, and kidnapping, that are widely seen to inflict more suffering on the Mexican public than transnational drug trafficking.[100]

Los Zetas had a significant presence in several Mexican states on the Gulf (eastern) side of the country and extended their reach to Ciudad Juárez (Chihuahua) and some Pacific states; they also operate in Central and South America. More aggressive than other groups, Los Zetas used intimidation as a strategy to maintain control of territory, making use of social media and public displays of bodies and body parts to send messages to frighten Mexican security forces, the local citizenry, and rival organizations. Sometimes smaller gangs and organizations use the "Zeta" name to tap into the benefits of the Zeta reputation or "brand."

Unlike many other DTOs, Los Zetas have not attempted to win the support of local populations in the territory in which they operate, and they have allegedly killed many civilians. They are linked to a number of massacres, such as the 2011 firebombing of a casino in Monterrey that killed 53 people and the 2011 torture and mass execution of 193 migrants who were traveling through northern Mexico by bus.[101] Los Zetas are known to kill those who cannot pay extortion fees or who refuse to work for them, often targeting migrants.[102]

In 2012, Mexican marines killed longtime Zeta leader Heriberto Lazcano (alias "El Lazca"), one of the founders of Los Zetas, in a shoot-out in the northern state of Coahuila.[103] The capture of his successor, Miguel Ángel Treviño Morales (alias "Z-40"), notorious for his brutality, in 2013 by Mexican federal authorities was a second blow to the group. Some analysts date the beginning of the "loss of coherence" of Los Zetas to Lazcano's killing and consider the ensuing arrest of Treviño Morales to be the event that accelerated the group's decline. In March 2015, Treviño Morales's brother Omar, who was thought to have taken over leadership of Los Zetas, also was arrested in a joint operation by the Mexican federal police and military. According to Mexico's

[98] U.S. Department of Justice, DEA, *2018 NDTA*.

[99] Most reports indicate that Los Zetas were created by a group of 30 lieutenants and sublieutenants who deserted from the Mexican military's Special Mobile Force Group (Grupos Aeromóviles de Fuerzas Especiales, GAFES) to join the Gulf Cartel in the late 1990s.

[100] John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Crime in Mexico: Democratic Governance in a Security Trap* (Boulder, CO: FirstForum Press, 2014), p. 120; interview with Alejandro Hope, July 2014.

[101] George Grayson, *The Evolution of Los Zetas in Mexico and Central America: Sadism as an Instrument of Cartel Warfare* (Carlisle Barracks, PA: U.S. Army War College Press, 2014), p. 9.

[102] According to Grayson, Los Zetas are also believed to kill members of law enforcement officials' families in revenge for action taken against the organization, reportedly even targeting families of fallen military men.

[103] Will Grant, "Heriberto Lazcano: The Fall of a Mexican Drug Lord," BBC News, October 13, 2012.

attorney general, federal government efforts against the cartels through April 2015 hit Los Zetas the hardest, with more than 30 of their leaders removed.[104]

Los Zetas are known for their diversification and expansion into other criminal activities, such as fuel theft, extortion, kidnapping, human smuggling, and arms trafficking. According to media coverage, Pemex, Mexico's state oil company, announced that it lost more than $1.15 billion in 2014 due to oil siphoning and about three times that amount in recent years from siphoned off oil. In 2017, the Atlantic Council released a report estimating that Los Zetas control about 40% of the market in stolen oil. Los Zetas have resisted government attempts to curtail their sophisticated networks.[105] Most incidents of illegal siphoning occur in the Mexican Gulf states of Tamaulipas and Veracruz.

Although many observers dispute the scope of the territory now held by major Los Zetas factions and how that fragmentation influenced the formerly cohesive group's prospects, most concur that the organization is no longer as powerful as it was during the peak of its dominance in 2011 and 2012. Two known factions are Old School Zetas (*Escuela Vieja*, or EV) and the more mainstream faction that has continued with the traditional core of Los Zetas, *Cartel del Noreste* (CDN).

Beltrán Leyva Organization

Before 2008, the Beltrán Leyva Organization (BLO) was part of the Sinaloa federation and controlled access to the U.S. border in Mexico's Sonora state. The Beltrán Leyva brothers developed close ties with Sinaloa head Joaquín "El Chapo" Guzmán and his family, along with other Sinaloa-based top leadership. The January 2008 arrest of BLO's leader, Alfredo Beltrán Leyva, through intelligence reportedly provided by Guzmán, triggered BLO's split from the Sinaloa DTO.[106] The two organizations have remained bitter rivals since.

The organization suffered a series of setbacks at the hands of the Mexican security forces, beginning with the 2009 killing of Arturo Beltrán Leyva, followed closely by the arrest of Carlos Beltrán Levya. In 2010, the organization broke up when the remaining brother, Héctor Beltrán Leyva, took the remnants of BLO and rebranded it as the South Pacific (*Pacifico Sur*) Cartel. Another top lieutenant, Edgar "La Barbie" Valdez Villarreal, took a faction loyal to him and formed the Independent Cartel of Acapulco, which he led until his arrest in 2010.[107] The South Pacific Cartel appeared to retake the name Beltrán Leyva Organization and achieved renewed prominence under Hector Beltrán Leyva's leadership, until his arrest in 2014.

Splinter organizations have arisen since 2010, such as the *Guerreros Unidos* and *Los Rojos*, among at least five others with roots in BLO. Los Rojos operates in Guerrero and relies heavily on kidnapping and extortion for revenue as well as trafficking cocaine, although analysts dispute

[104] "Los Zetas Are the Criminal Organization Hardest Hit by the Mexican Government," *Southernpulse.info*, May 13, 2015.

[105] Michael Lohmuller, "Will Pemex's Plan to Fight Mexico Oil Thieves Work?," *InSight Crime*, February 18, 2015; Dr. Ian M. Ralby, *Downstream Oil Theft: Global Modalities, Trends, and Remedies*, Atlantic Council, January 2017.

[106] See *InSight Crime* profile, "Beltrán Leyva Organization." The profile suggests that Guzmán gave authorities information on Alfredo Beltrán Leyva to secure Guzmán's son's release from prison.

[107] Edgar Valdez is an American-born smuggler from Laredo, TX, and allegedly started his career in the United States dealing marijuana. His nickname is "La Barbie" due to his fair hair and eyes. Nicholas Casey and José de Córdoba, "Alleged Drug Kingpin Is Arrested in Mexico," *Wall Street Journal*, August 31, 2010. La Barbie was extradited to the United States in September 2015 and put on trial in the United States. He changed his original plea of not guilty to guilty in January 2016 on charges of drug trafficking and money laundering and was sentenced in June 2018 to serve 49 years in prison and pay a $192 million fine. See Parker Asmann, "Mexico Cartel Leader's Sentencing Sends Strong Message to El Chapo," *InSight Crime*, June 12, 2018.

the scope of its involvement in the drug trade.[108] The Guerreros Unidos traffics cocaine as far north as Chicago in the United States and reportedly operates primarily in the central and Pacific states of Guerrero, México, and Morelos. The Guerreros Unidos, according to Mexican authorities, was responsible for taking the 43 Mexican teacher trainees, who were handed to them by local authorities in Iguala, Guerrero; the group subsequently murdered the students and burned their bodies.[109] The lack of a hegemonic DTO in Guerrero has led to significant infighting between DTO factions and brutal intra-cartel competition, resulting in the state of Guerrero having the highest number of homicides and kidnappings in the country in 2013 and the second most after the state of México in 2014.[110] In the 2017 NDTA, the DEA maintains that the Guerreros Unidos are known to traffic heroin and other drugs into the United States.

Like other DTOs, the BLO was believed to have infiltrated the upper levels of the Mexican government for at least part of its history, but whatever reach it once had likely has declined significantly after Mexican authorities arrested many of its leaders. According to the 2018 NDTA, the BLO is a group of factions that work under the umbrella of the BLO name and traffic mainly marijuana, cocaine, heroin, and methamphetamine. Subgroups rely on alliances with the CJNG, the Juárez Cartel, and elements of Los Zetas to move drugs across the border, while maintaining distribution links in the U.S. cities of Phoenix, Los Angeles, Chicago, and Atlanta. Inside of Mexico, it remains influential in the states of Morelos, Guerrero, Nayarit, and Sinaloa.[111]

La Familia Michoacana

Based originally in the Pacific state of Michoacán, La Familia Michoacana (LFM) traces its roots back to the 1980s. Formerly aligned with Los Zetas before the group's split from the Gulf DTO, LFM announced its intent to operate independently from Los Zetas in 2006, declaring that LFM's mission was to protect Michoacán from drug traffickers, including its new enemies, Los Zetas.[112] From 2006 to 2010, LFM acquired notoriety for its use of extreme, symbolic violence, military tactics gleaned from Los Zetas, and a pseudo-ideological or religious justification for its existence.[113] LFM members reportedly made donations of food, medical care, schools, and other social services to benefit the poor in rural communities to project a populist "Robin Hood" image.

In 2010, however, LFM played a less prominent role, and in November 2010, LFM reportedly called for a truce with the Mexican government and announced it would disband.[114] A month later, spiritual leader and co-founder Nazario "El Más Loco" Moreno González reportedly was

[108] Marguerite Cawley, "Murder Spike in Guerrero, Mexico Points to Criminal Power Struggle," *InSight Crime*, May 30, 2014; "Mexico Nabs Drug Gang Leader in State of Guerrero," Associated Press, May 17, 2014. The AP reports that the Mexican security commissioner claims Los Rojos as primarily responsible for cocaine shipments from Guerrero to the United States. *Insight Crime* analysts, however, argue that the group lacks the international ties to rely consistently on drug trafficking as a primary revenue source.

[109] According to the profile of Guerreros Unidos on the *InSight Crime* website, an alleged leader of the group is the brother-in-law of the former mayor of Iguala.

[110] Cawley, "Murder Spike in Guerrero, Mexico"; Kimberly Heinle, Cory Molzahn, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2014*, University of San Diego, April 2015.

[111] U.S. Department of Justice, DEA, *2018 NDTA*.

[112] Alejandro Suverza, "El Evangelio Según La Familia," *Nexos*, January 1, 2009. For more on its early history, see *InSight Crime*'s profile on La Familia Michoacana (LFM).

[113] In 2006, LFM gained notoriety when it rolled five severed heads allegedly of rival criminals across a discotheque dance floor in Uruapan. La Familia Michoacana was known for leaving signs ("narcomantas") on corpses and at crime scenes that referred to LFM actions as "divine justice." William Finnegan, "Silver or Lead," *New Yorker*, May 31, 2010.

[114] "Mexican Drug Wars: Bloodiest Year to Date," *Stratfor Worldview*, December 20, 2010.

killed, although authorities claimed his body was stolen.[115] The body was never recovered, and Moreno González reappeared in another shoot-out with Mexican federal police in 2014, after which his death was officially confirmed.[116] Moreno González had been nurturing the development of a new criminal organization that emerged in early 2011, calling itself the Knights Templar and claiming to be a successor or offshoot of LFM.[117]

Though "officially" disbanded, LFM remained in operation, even after the 2011 arrest of leader José de Jesús Méndez Vargas (alias "El Chango"), who allegedly took over after Moreno González's disappearance.[118] Though largely fragmented, remaining cells of LFM are still active in trafficking, kidnapping, and extortion in Guerrero and Mexico states, especially in the working-class suburbs around Mexico City through 2014.[119] Observers report that LFM had been largely driven out of Michoacán by the Knights Templar, although a group calling itself the New Family Michoacan, *La Nueva Familia Michoacana*, has been reported to be active in parts of Guerrero and Michoacán. As a DTO, LFM has specialized in methamphetamine production and smuggling, along with other synthetic drugs. It also has been known to traffic marijuana and cocaine and to tax and regulate the production of heroin.

Knights Templar

The Knights Templar began as a splinter group from La Familia Michoacana, announcing its presence in Michoacán in 2011. Similar to LFM, the Knights Templar began as a vigilante group, claiming to protect the residents of Michoacán from other criminal groups, such as Los Zetas, but in reality operated as a DTO. The Knights Templar is known for the trafficking and manufacture of methamphetamine, but the organization also moves cocaine and marijuana north. Like LFM, it preaches its own version of evangelical Christianity and claims to have a commitment to "social justice," while being the source of much of the insecurity in Michoacán and surrounding states.

In 2013, frustration with the perceived ineffectiveness of Mexican law enforcement in combating predatory criminal groups led to the birth in Michoacán of "*autodefensa*" or self-defense organizations, particularly in the Tierra Caliente region in the southwestern part of the state. Composed of citizens from a wide range of backgrounds—farmers, ranchers, businessmen, former DTO operatives, and others—the self-defense militias primarily targeted members of the Knights Templar.[120] Local business owners, who had grown weary of widespread extortion and hyper-violent crime that was ignored by corrupt local and state police, provided seed funding to resource the militias in Michoacán, but authorities cautioned that some of the self-defense groups

[115] Dudley Althaus, "Ghost of 'The Craziest One' Is Alive in Mexico," *InSight Crime*, June 11, 2013.

[116] Mark Stevenson and E. Eduardo Castillo, "Mexico Cartel Leader Thrived by Playing Dead," Associated Press, March 10, 2014.

[117] The Knights Templar was purported to be founded and led by Servando "La Tuta" Gómez, a former school teacher and a lieutenant to Moreno Gonzáles. However, after Moreno González's faked demise, taking advantage of his death in the eyes of Mexican authorities, Moreno González and Gómez founded the Knights Templar together in the wake of a dispute with LFM leader Méndez Vargas, who stayed on with the LFM. See Falko A. Ernst, "Seeking a Place in History – Nazario Moreno's Narco Messiah," *InSight Crime*, March 13, 2014.

[118] Adriana Gómez Licón, "Mexico Nabs Leader of Cult-Like La Familia Cartel," Associated Press, June 21, 2011.

[119] CRS interview with Dudley Althaus, June 2014.

[120] The self-defense forces pursue criminal groups to other towns and cities and are self-appointed, sometimes gaining recruits who are former migrants returned from or deported from the United States; and many are heavily armed. After a period of cooperation, the Mexican federal police made news when it arrested 83 members of the self-defense forces in June 2014 for possession of unregistered weapons. "Arrestan a 83 Miembros y a Líder de Autodefensas en México," Associated Press, June 27, 2014.

had extended their search for resources and weapons to competing crime syndicates, such as the CJNG. Despite some analysts' contention that ties to rival criminal groups are highly likely, other observers are careful not to condemn the entire self-defense movement. These analysts acknowledge some gains in the effort to combat the Knights Templar that had not been made by government security forces, although conflict between self-defense groups also has led to violent battles.

The Knights Templar reportedly has emulated LFM's penchant for diversification into other crime, such as extortion. The Knights Templar battled the LFM, and by 2012 its control of Michoacán was nearly as widespread as LFM's once had been, especially by demanding local businesses pay it tribute through hefty levies. According to avocado growers in the rural state who provide more than half the global supply, the LFM and the Knights Templar have seriously cut into their profits. The Knights Templar also moved aggressively into illegal mining, such as mining iron ore from illegally operated mines. Through mid-2014, the Knights Templar reportedly had been using Mexico's largest port, Lázaro Cárdenas, located in the southern tip of Michoacán, to smuggle illegally mined iron ore, among other illicit goods.[121] Analysts and Mexican officials, however, suggest that a 2014 federal occupation of Lázaro Cárdenas resulted in an "impasse," rendering DTOs unable to receive and send shipments.[122]

In early 2014, the Mexican government began its controversial policy of incorporating members of the self-defense groups into legal law enforcement, giving them the option to disarm or register themselves and their weapons as part of the "Rural Police Force," despite concerns about competing cartels corrupting these forces or the potential for the groups to morph into predatory paramilitary forces, as occurred in Colombia.[123] The federal police and the Rural Police Force had a brief successful period of cooperation, which ended with the arrests of the two self-defense force leaders (and dozens of members) in spring 2014.[124] The arrests sparked tension between the self-defense movement and federal police, contributing to a renewal of high rates of violence in the area.[125]

The Mexican government and self-defense forces delivered heavy blows to the Knights Templar, especially with the confirmed killing in March 2014 of Nazario Moreno González, who led the Knights, and the killing of Enrique Plancarte, another top leader, several weeks later.[126] Previously, the self-defense forces and the Knights Templar reportedly had split Michoacán roughly into two, although other criminal organizations continued to operate successfully in the area. In February 2015, the Knights Templar DTO leader Servando "La Tuta" Gómez was

[121] Reuters.com, "Mexico Seizes Tonnes of Minerals in Port Plagued by Drug Gangs," March 3, 2014. The Knights Templar shared control with the powerful Sinaloa DTO. Both groups reportedly received shipments of cocaine from South America and precursor chemicals used to produce methamphetamines largely from Asia.

[122] Interview with Eduardo Guerrero, July 2014.

[123] Nick Miroff and Joshua Partlow, "In Mexico, Militias Taste Power," *Washington Post*, May 12, 2014.

[124] The Mexican federal police arrested 83 members of the self-defense forces (including a well-known leader) in June 2014 for possession of unregistered weapons, an event largely seen as destroying chances for further cooperation between Mexican law enforcement and the self-defense forces. "Arrestan a 83 Miembros y a Líder de Autodefensas en México," Associated Press, June 27, 2014.

[125] For more information on the origins of tensions between the self-defense movement and Mexican authorities, see Steven Dudley and Dudley Althaus, "Mexico's Security Dilemma: The Battle for Michoacán," Woodrow Wilson Center, Mexico Institute, April 30, 2014. The authors maintain that the situation in Michoacán was "a battle on four fronts": (1) factions of the self-defense forces fighting each other, (2) self-defense forces battling the Knights Templar, (3) self-defense forces fighting Mexican federal forces, and (4) DTOs fighting federal forces.

[126] Olga R. Rodriguez, "Mexican Marines Kill Templar Cartel's Leader," Associated Press, April 1, 2014.

captured. The former schoolteacher had taken risks by being interviewed in the media. With La Tuta's arrest, the fortunes of the Knights Templar plummeted.

But new spinoff groups or fragments of other cartels filled the void, including the rise of such groups as Los Viagras, and they contested the state with the CJNG. In March 2017, the alleged leader of Los Viagras, José Carlos Sierra Santana, was killed. The Mexican government quickly reinforced troops and federal police forces in the state to prevent a bloodbath as cartels struggled to assert new patterns of dominance.

Cartel Jalisco New Generation

Originally known as the Zeta Killers, the CJNG made its first appearance in 2011 with a roadside display of the bodies of 35 alleged members of Los Zetas.[127] The group is based in Jalisco state with operations in central Mexico, including the states of Colima, Michoacán, México State, Guerrero, and Guanajuato.[128] It has grown into a dominant force in the states of the *Tierra Caliente*, including Guerrero and Michoacán. Reportedly, it has been led by many former associates of slain Sinaloa DTO leader Ignacio "Nacho" Coronel, who operated his faction in Jalisco until he was killed by Mexico's security forces in July 2010.[129] The CJNG has early roots in the Milenio Cartel, which was active in the Tierra Caliente region of southern Mexico before it disintegrated in 2009.[130] The group is a by-product of the Milenio Cartel's collapse and was allied with the Sinaloa federation until 2014.[131]

The CJNG reportedly served as an enforcement group for the Sinaloa DTO until summer 2013. Analysts and Mexican authorities have suggested the split between Sinaloa and CJNG is one of the many indications of a general fragmentation of crime groups. Rubén Oseguera Cervantes, alias "El Mencho," a top wanted fugitive by the DEA, is the group's current leader.[132] The Mexican military delivered a blow to the CJNG with the July 2013 capture of its leader's deputy, Victor Hugo "El Tornado" Delgado Renteria. In January 2014, the Mexican government arrested the leader's son, Rubén Oseguera González (also known as "El Menchito"), believed to be the CJNG's second-in-command. However, El Menchito, who has dual U.S.-Mexican citizenship, was released in December 2014 due to lack of evidence in a federal case. Captured again in late June 2015, El Menchito was again released by a judge. On July 3, 2015, he was rearrested by Mexican authorities; he is being held in the Miahutlán, Oaxaca, maximum-security prison.[133]

In 2015, the Mexican government declared the CJNG one of the most dangerous cartels in the country and one of two with the most extensive reach.[134] In October 2016, the U.S. Department of the Treasury echoed the Mexican government when it described the group as one of the world's

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[127] Miriam Wells, "Jalisco Cartel Announces 'Cleansing' of Mexican State," *InSight Crime*, September 20, 2013.

[128] "Se Pelean el Estado de México 4 Carteles," *El Siglo de Torreón*, March 2, 2014; interview with Dudley Althaus, 2014.

[129] CRS interview with Alejandro Hope, July 2014. See also International Crisis Group, *Peña Nieto's Challenge: Criminal Cartels and Rule of Law in Mexico*, March 19, 2013 (especially "Appendix D: Main Cartels in Mexico"); "Mexico Security Memo: The Death of a Cartel de Jalisco Nueva Generacion Ally," *Stratfor Worldview*, February 27, 2013; "Mexican Cartels: Cartel de Jalisco Nueva Generacion," *Stratfor Worldview*, April 4, 2013; "Jalisco Cartel—New Generation," *InSight Crime*, May 5, 2015.

[130] "Tracking Mexico's Cartels in 2017," *Stratfor Worldview*, February 3, 2017.

[131] "Tracking Mexico's Cartels in 2017," *Stratfor Worldview*, February 3, 2017.

[132] DEA, "Most Wanted Fugitives," at https://www.dea.gov/fugitives.shtml, accessed February 14, 2017.

[133] Juan Carlos Huerta Vázquez, "'El Menchito', un Desafío para la PGR," *Proceso*, January 15, 2016.

[134] Michael Lohmuller, "Only Two Cartels Left in Mexico: Official," *InSight Crime*, June 10, 2015.

"most prolific and violent drug trafficking organizations."[135] According to some analysts, the CJNG has operations throughout the Americas, Asia, and Europe. The group allegedly is responsible for distributing cocaine and methamphetamine along "10,000 kilometers of the Pacific coast in a route that extends from the Southern Cone to the border of the United States and Canada."[136]

To best understand the CJNG's international reach, it is important to first consider its expansion within Mexico. In 2016, many analysts maintained the cartel had presence throughout the country in a combined area that made up nearly half of Mexico.[137] Recent reports indicate the group has pushed further into Aguas Calientes, San Luis Potosi, and Zacatecas states. The group has battled Los Zetas and Gulf Cartel factions in Tabasco, Veracruz, and Guanajuato, and it has battled the Sinaloa federation in the Baja peninsulas and Chihuahua.[138] The CJNG's ambitious expansion campaign has led to high levels of violence, particularly in Ciudad Juárez and Tijuana, where it has clashed with the Sinaloa federation for control of the lucrative heroin trade and corresponding smuggling routes.[139] The group also has been linked to several mass graves in southwestern Mexico and was responsible for shooting down an army helicopter in 2015, the first successful takedown of a military asset of its kind in Mexico.[140]

The CJNG's efforts to dominate key ports on both the Pacific and Gulf Coasts have allowed it to consolidate important components of the global narcotics supply chain. In particular, the CJNG asserts control over the ports of Veracruz, Mazanillo, and Lázaro Cárdenas, which has given the group access to precursor chemicals that flow into Mexico from China and other parts of Latin America.[141] As a result, the CJNG has been able to pursue an aggressive growth strategy, underwritten by U.S. demand for Mexican methamphetamine, heroin, and fentanyl.[142]

Despite leadership losses, the CJNG has extended its geographic reach and maintained its own cohesion while exploiting the splintering of the Sinaloa organization. It is considered a newer and extremely powerful cartel, based in Mexico's second-largest city of Guadalajara, and has a presence in 22 of 32 Mexican states. Its reputation for extreme and intimidating violence continues. In August 2019, 19 bodies were found on display in Uruapan in the southwestern state of Michoacán accredited to the CJNG, including several bodies that were dismembered and 9 that were hung from an overpass.[143]

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[135] U.S. Department of the Treasury, "Treasury Sanctions Individuals Supporting Powerful Mexico-Based Drug Cartels," press release, October 27, 2016.

[136] Luis Alonso Pérez, "Mexico's Jalisco Cartel—New Generation: From Extinction to World Domination," *InSight Crime and Animal Político*, December 26, 2016.

[137] Pérez, "Mexico's Jalisco Cartel."

[138] "Tracking Mexico's Cartels in 2017," *Stratfor Worldview*, February 3, 2017.

[139] Deborah Bonello, "After Decade-Long Drug War, Mexico Needs New Ideas," *InSight Crime 2016 GameChangers: Tracking the Evolution of Organized Crime in the Americas*, January 4, 2017.

[140] Angel Rabasa et al., *Counterwork: Countering the Expansion of Transnational Criminal Networks*, RAND Corporation, 2017.

[141] "Tracking Mexico's Cartels in 2017," *Stratfor Worldview*, February 3, 2017.

[142] Bonello, "After Decade-Long Drug War."

[143] Mark Stevenson, "19 Bodies Hung from Bridge or Hacked Up in Mexico Gang Feud," Associated Press, August 8, 2019.

Fragmentation, Competition, and Diversification

As stated earlier, DTOs today are more fragmented and more competitive than in the past. However, analysts disagree about the extent of this fragmentation, its importance, and whether the group of smaller organizations will be easier to dismantle. Fragmentation that began in 2010 and accelerated in 2011 redefined the "battlefield" and brought new actors, such as Los Zetas and the Knights Templar, to the fore. In 2018, an array of smaller organizations were active and some of the once-small groups, such as the CJNG, entered the space left after other DTOs were dismantled. Recently, some analysts have identified the CJNG as a cartel with national reach like the Sinaloa DTO, although it originally was an allied faction or the armed wing of Sinaloa organization.

A newer cartel, known as Los Cuinis, also was identified as a major organization in 2015. In April 2015, the U.S. Department of the Treasury's OFAC named both the CJNG and Los Cuinis as Specially Designated Narcotics Traffickers under the Foreign Narcotics Kingpin Designation Act. According to an OFAC statement, the Los Cuinis DTO has become "one of the most powerful and violent drug cartels in Mexico."[144] Other analysts view the fragments as the cause of heightened violence but note that groups appear less able to challenge the national government and engage in some types of transnational crimes, including drug trafficking.

Contrary to the experience in Colombia in the 1980s and 1990s, with the sequential dismantling of the enormous Medellín and Cali cartels, fragmentation in Mexico has been associated with resurging violence.[145] A "kingpin strategy" implemented by the Mexican government has incapacitated numerous top- and mid-level leaders in all the major DTOs, either through arrest or deaths in arrest efforts. However, this strategy contributed to violent succession struggles, shifting alliances among the DTOs, a proliferation of new gangs and small DTOs, and the replacement of existing leaders and criminal groups by even more violent ones.

The ephemeral prominence of some new gangs and DTOs, regional changes in the power balance between different groups, and their shifting allegiances often catalyzed by government enforcement actions make it difficult to portray the current Mexican criminal landscape. The Stratfor Global Intelligence group contends that the rival crime networks are best understood in regional groupings and that at least three geographic identities emerged by 2015, which essentially endure. Those umbrella groups are Tamaulipas State, Sinaloa State, and Tierra Caliente regional group. This framework also shows several states and regions of Mexico where the activities of these three regional groups mix, as in the eastern state of Veracruz, which is a mix of elements from the Tierra Caliente and the Tamaulipas umbrella groups. (See map by Stratfor, **Figure 3**.)[146]

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[144] See U.S. Department of the Treasury, "Treasury Sanctions Business Network of the Los Cuinis Drug Trafficking Organization," press release, August 19, 2015.

[145] In Colombia's case, successfully targeting the huge and wealthy Medellín and Cali cartels and dismantling them meant that a number of smaller DTOs replaced them (*cartelitos*). The smaller organizations have not behaved as violently as the larger cartels, and thus the Colombian government was seen to have reduced violence in the drug trade. Critical, however, were factors in Colombia that were not present in Mexico, such as the presence of guerrilla insurgents and paramilitaries that became deeply involved in the illegal drug business. Some have argued that the Colombian cartels of the 1980s and 1990s were structured and managed very differently than their contemporary counterparts in Mexico.

[146] "Stratfor now divides Mexican organized criminal groups into the distinct geographic areas from which they emerged. This view is not just a convenient way of categorizing an increasingly long list of independent crime groups in Mexico, but rather it reflects the internal realities of most crime groups in Mexico." See "Mexico's Drug War Update: Tamaulipas-Based Groups Struggle," *Stratfor Worldview*, April 16, 2015.

Some believe diversification of the DTOs and their evolution into poly-crime outfits may be evidence of organizational vitality and growth. Others contend that diversification signals that U.S. and Mexican drug enforcement measures are cutting into profits from drug trafficking or constitutes a response to shifting U.S. drug consumption patterns. This includes legalization of marijuana in some states and Canada and a large increase in demand for plant-based and synthetic opioids.[147]

The growing public condemnation of the DTOs also may be stimulated by the organizations' diversification into violent street crime, which causes more harm to average Mexican civilians than intra- and inter-DTO violence related to conflicts over drug trafficking. Because the DTOs have diversified, many analysts now refer to them as TCOs, organized crime groups, or mafias.[148] Others maintain that much of their nondrug criminal activity is in service of the central drug trafficking business. What is apparent is that the demise of the traditional kingpins, envisioned as ruling their cartel armies in a hierarchical fashion from a central position, has led to equally violent, smaller, fragmented groups.[149]

Figure 3. Stratfor Cartel Map by Region of Influence (2018)

(map indicates range of transnational criminal organizations or cartels by region of influence and origin)

Source: Stratfor Global Intelligence.

[147] Morris Panner, "Latin American Organized Crime's New Business Model," *ReVista*, vol. XI, no. 2 (Winter 2012). The author comments, "the business is moving away from monolithic cartels toward a series of mercury-like mini-cartels. Whether diversification is a growth strategy or a survival strategy in the face of shifting narcotics consumption patterns, it is clear that organized crime is pursuing a larger, more extensive agenda."

[148] See, for example, Eric L. Olson and Miguel R. Salazar, *A Profile of Mexico's Major Organized Crime Groups*, Woodrow Wilson International Center for Scholars, February 17, 2011.

[149] Patrick Corcoran, "Why Are More People Being Killed in Mexico in 2019?" *InSight Crime*, August 8, 2019.

Outlook

The goal of successive Mexican governments has been to diminish the extent and character of the DTOs' activity from a national security threat to a law-and-order problem and, once this is achieved, to transfer responsibility for addressing this challenge from military forces back to the police. President Peña Nieto did not succeed in reducing the scope of the military's domestic policing function during his tenure. Instead, the Mexican military has faced accusations of extrajudicial executions by members of its forces and the use of torture and other severe human rights violations.

The government of President López Obrador continues to face challenges presented by DTO-related corruption of public officials, politicians, and members of the nation's police forces. The striking December 2019 arrest of former security minister García Luna has threatened to further erode the legitimacy of Mexico's enforcement bureaucracy and the strategy to kill or capture top kingpins. Equally concerning is the lack of attention to broader efforts against corruption in Mexico, despite President López Obrador's campaign pledges.[150] Many analysts maintain that important tools for managing the binational challenge of Mexico's violent organizations include long-term institutional reform to replace a culture of illegality and corruption with one of rule of law and respect for lawful authority. Several observers have questioned President López Obrador's commitment to building stronger institutions in Mexico rather than more populist objectives.[151]

As discussed in this report, the splintering of the large criminal organizations has led to increased violence. One cause of the current violence may be the transition to a post-Sinaloa Cartel dominated-era, with the concomitant rise of a lucrative heroin trade and the production and trafficking of synthetic opioids, which has sparked renewed competition. Nevertheless, some observers remain convinced of the capacity of the Sinaloa organization and its primary competitor, the expansive CJNG, to use their well-established bribery and corruption networks, backed by violence, to retain significant power in Mexico. In the last months of 2019, almost all the investigations of flagrant incidents of violence involving the DTOs in Culiacán, Sinaloa, in the Tierra Caliente region, and in the Mexican border states of Coahuila and Sonora resulted from fragments of formerly cohesive cartels conducting aggressive actions.

Many U.S. government officials and policymakers have deep concerns about the Mexican government's capacity to decrease violence in Mexico and curb the power of the country's criminal groups. Many analysts have viewed as problematic a continued reliance on a controversial kingpin strategy, which they argue has not lowered violence in a sustainable way. Some analysts back a new strategy of targeting the middle operational layer of each key criminal group to handicap the groups' regeneration capacity.[152]

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[150] Calderón, Heinle, Rodríguez, and Shirk, *Organized Crime*; Gina Hinojosa and Maureen Meyer, *The Future of Mexico's National Anti-Corruption System: The Anti-Corruption Fight under President López-Obrador*, Washington Office on Latin America, August 2019.

[151] See remarks by Ambassador Roberta Jacobson and others, "AMLO's First Year: Mexico's Political, Economic, and Security Trends," Brookings Institution, December 13, 2019, at https://www.brookings.edu/events/amlos-first-year-mexicos-political-economic-and-security-trends/.

[152] See, for example, Vanda Felbab-Brown, *AMLO's Security Policy: Creative Ideas, Tough Reality*, Brookings, March 2019.

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