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Mexico: Organized Crime and Drug Trafficking Organizations

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SUMMARY

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June S. Beittel
Analyst in Latin American Affairs

Mexico: Organized Crime and Drug Trafficking Organizations

Mexican drug trafficking organizations (DTOs) pose the greatest crime threat to the United States and have "the greatest drug trafficking influence," according to the U.S. Drug Enforcement Administration's (DEA's) annual *National Drug Threat Assessment*. These organizations, often referred to as *transnational criminal organizations* (TCOs), continue to diversify into crimes of extortion, human smuggling, and oil theft, among others. Their supply chains traverse the Western Hemisphere and the globe. Their extensive violence since 2006 has caused Mexico's homicide rate to spike. They produce and traffic illicit drugs into the United States, including heroin, methamphetamine, marijuana, and synthetic opioids such as fentanyl, and they traffic South American cocaine.

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 according to the Centers for Disease Control, setting a record in 2019 with more than 70% of overdose deaths involving opioids, including fentanyl. Many analysts believe that Mexican DTOs' role in the trafficking and producing of opioids is continuing to expand.

Evolution of Mexico's Criminal Environment

Mexico's DTOs have been in constant flux, and yet they continue to wield extensive political and criminal power. 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 the cartel leadership increased instability among the groups while sparking greater 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 Nuevo Generación (CJNG).

In mid-2019, the leader of the long-dominant Sinaloa Cartel, Joaquín "El Chapo" Guzmán, was sentenced to life in a U.S. prison, further fracturing the once-hegemonic DTO. In December 2019, Genaro García Luna, a former head of public security in the Felipe Calderón Administration (2006-2012), was arrested in the United States on charges he had taken enormous bribes from Sinaloa, further eroding public confidence in Mexican government efforts.

Since his inauguration in late 2018, Mexican President Andrés Manuel López Obrador has implemented what some analysts contend is an ad hoc approach to security that has achieved little sustained progress. Despite reform promises, the president has relied on a conventional policy of using the military and a military-led national guard to help suppress violence. The president has targeted oil theft that siphons away billions in government revenue annually.

Recent Developments

In 2019, Mexico's national public security system reported more than 34,500 homicides, setting another record in absolute homicides and the highest national homicide rate since Mexico has published this data. In late 2019, several cartel fragments committed flagrant acts of violence, killing U.S.-Mexican citizens in some instances. Some Members of Congress questioned a U.S. policy of returning Central American migrants and others to await U.S. asylum proceedings in border cities, such as Tijuana, because these cities have reported among the highest urban homicide rates in the world. The Trump Administration also raised concerns over whether Mexican crime groups should be listed as terror organizations.

In June 2020, two high-level attacks on Mexican criminal justice authorities stunned Mexico, including an early morning assassination attempt targeting the capital's police chief, allegedly by the CJNG. He survived the attack, but three others were killed in one of Mexico City's most affluent neighborhoods. The other was the murder of a Mexican federal judge in Colima who had ruled in significant organized crime cases, including extradition of the CJNG's top leader's son to the United States.

For more background, see CRS Insight IN11205, *Designating Mexican Drug Cartels as Foreign Terrorists: Policy Implications*, CRS Report R45790, *The Opioid Epidemic: Supply Control and Criminal Justice Policy—Frequently Asked Questions*, and CRS Report R42917, *Mexico: Background and U.S. Relations*.

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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. Over the past decade, Congress has held numerous hearings addressing violence in Mexico, U.S. counternarcotics assistance, and border security issues.

According to one Mexican think tank that publishes an annual assessment, the top five cities in the world for violence in 2019 were in Mexico.[1] Increasing violence, intimidation of Mexican politicians in advance of elections, and assassinations of journalists and media personnel have continued to raise alarm. From 2017 through 2019, a journalist was murdered nearly once a month on average, leading to Mexico's status as one of the world's most dangerous countries to practice journalism.[2] In the run-up to the 2018 local and national elections, some 37 mayors, former mayors, or mayoral candidates were killed, and murders of nonelected public officials rose above 500.[3]

Over many years, Mexico's brutal drug-trafficking-related violence has been dramatically punctuated by beheadings, public hanging of corpses, and murders of dozens of journalists and officials. Violence has spread from the border with the United States into Mexico's interior. Organized crime groups have splintered and diversified their crime activities, turning to extortion, kidnapping, oil theft, human smuggling, sex trafficking, retail drug sales, and other illicit enterprises. These crimes often are described as more "parasitic" for local communities and populations inside Mexico, degrading a sense of citizen security. The violence has flared in the Pacific states of Michoacán and Guerrero, in the central states of Guanajuato and Colima, and in the border states of Tamaulipas, Chihuahua, and Baja California, where Mexico's largest border cities are located (for map of Mexico, see **Figure 1**).

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 for a national rate of 27 per 100,000 people. According to the U.S. Department of State, Mexico exceeded 34,500 intentional homicides in 2019 for a national rate of 29 per 100,000.[4] Thus, for each of the most recent three years, records were set and then eclipsed.

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[1] El Consejo Ciudadano para la Seguridad Pública y la Justicia Penal (Citizen Council for Public Security and Criminal Justice), "Boletín Ranking 2019 de las 50 Ciudades más Violentas del Mundo," June 1, 2020, http://www.seguridadjusticiaypaz.org.mx/sala-de-prensa/1590-boletin-ranking-2019-de-las-50-ciudades-mas-violentas-del-mundo. The survey found in 2019 the world's top most violent cities (all in Mexico) were (1) Tijuana, (2) Ciudad Juárez, (3) Uruapan, (4) Irapuato, and (5) Ciudad Obregon.

[2] For background on Mexico, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by Clare Ribando Seelke. See also Juan Albarracín and Nicholas Barnes, "Criminal Violence in Latin America," *Latin American Research Review*, vol. 55, no. 2 (June 23, 2020), pp. 397-406.

[3] For more background, see Laura Y. Calderón et al., *Organized Crime and Violence in Mexico*, University of San Diego, April 2019. See also CRS Report R45199, *Violence Against Journalists in Mexico: In Brief*, by Clare Ribando Seelke.

[4] Testimony of Richard Glenn, Deputy Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs, before the House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade, for a hearing on "Assessing U.S. Security Assistance to Mexico," February 13, 2020.

Figure 1. Map of Mexico

Source: Congressional Research Service (CRS).

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.[5] 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 is not only associated with resolving disputes, maintaining discipline, and intimidating rivals but has also been directed toward the government, political candidates, and the media. Some observers note some of Mexico's violence might be considered exceptional by the typical standards of organized crime.[6] Periodically, when organized-crime-related homicides in Mexico break out in important urban centers or result in the murder of U.S. citizens, Members of Congress have considered the possibility of designating the criminal groups as foreign terrorists, as in late 2019.[7] However, the DTOs appear to lack a discernible political goal or ideology, which is one element of a widely

[5] 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).

[6] 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*, vol. 24, no. 2 (2012).

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

recognized definition of *terrorism*. In June 2020, the State Department's annual *Country Reports on Terrorism* affirmed that in 2019 there was not credible evidence international terrorist groups had bases in Mexico, nor had Mexican criminals facilitated terrorist group members crossing the U.S.-Mexico border.[8]

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, though with wide variation within the region. According to the United Nations' *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.[9] 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 few years. (This increase contrasts with homicide-rate declines in the Northern Triangle countries, where high rates decreased somewhat between 2017 and 2018.)

Accurately portraying Mexico's criminal landscape can be challenging. Government enforcement actions and changing patronage patterns for bribery have unpredictable consequences for criminal groups, generating near-constant flux. This has been especially the case as new gangs emerge and old gangs splinter, shifting power balances. Stratfor, a geopolitical intelligence company, has broken out rival crime networks in Mexico into three regional groupings: the Tamaulipas State, Sinaloa State, and Tierra Caliente regional group.[10] This regional framework also shows several states and regions of Mexico where the activities of these three regional groups mix or are contested. (See **Figure 2** for a 2020 map by Stratfor.)

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 the July elections. The new president pledged to make Mexico a more just and peaceful society and vowed to govern with austerity. He said he would not pursue a war against the DTOs and crime groups but would work to address the social conditions that allow criminal groups to thrive.

In his first year in office, President López Obrador 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 former military, federal police, and new recruits) to combat crime. The approach to the National Guard and the continuation of an active domestic role for the military surprised many in the human rights community, who succeeded in persuading Mexico's Congress to modify López Obrador's original proposal to ensure that the National Guard would be under civilian command. The National Guard's first assignment for about 27,000 members of the new force was vigorous migration enforcement to comply with Trump Administration demands. As the National Guard continued to deploy in 2020, of the first 90,000 of the National Guard (which has now exceeded

[8] U.S. State Department, *Country Reports on Terrorism 2019*, see Mexico country report at https://www.state.gov/reports/country-reports-on-terrorism-2019/.

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

[10] "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.

100,000 members), 80% tested did not meet basic policing training standards.[11] The President contends that Mexico's National Guard was not prepared to handle the violence of the DTOs, and as it is trained to carry out that task he said that the military can fill in through 2024.[12]

Congressional Concerns

Over the past dozen years, 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.[13] (Two U.S. officials traveling in an embassy vehicle were wounded in an attack allegedly abetted by corrupt Mexican police.[14]) Occasional use of car bombs, grenades, and rocket-propelled grenade launchers—such as the one used to bring down an Mexican army helicopter in 2015—continue to raise concerns. Incidents such as the late 2019 massacre of dual U.S.-Mexican citizens near to the U.S.-Mexico border have prompted Members of Congress to consider whether Mexican drug traffickers may be adopting insurgent or terrorist techniques.

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 primarily to the organizations' control of and efforts to move illicit drugs to the United States and to expand aggressively into heroin, synthetic opioids, and methamphetamine. Mexico experienced a sharp increase in opium poppy cultivation between 2014 and 2018, and Mexico is a growing producer of (and transit country for) synthetic opioids. This corresponds to an epidemic of opioid-related deaths in the United States and a continued high demand for heroin and synthetic opioids.[15]

The Mérida Initiative

The Mérida Initiative is a U.S.-Mexican antidrug and rule of law partnership for which Congress has provided $3.1 billion through FY2020. Many analysts have observed the need for more reporting on Mérida Initiative outcomes to help Congress oversee the funds it has appropriated. The State Department has pointed to some indicators of success, such as improvements in intelligence sharing and police cooperation that has helped capture and extradite high-profile criminals. But the ongoing concerns about escalating violence in Mexico and drug overdose deaths in the United States have led many to question the efficacy of the Mérida Initiative.

See CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*.

[11] Arturo Angel, "80% en Guardia Nacional Carece de Certificación Como Policía, Predominan en esta Fuerza Militares y Marinos," *Animal Politico*, July 7, 2020.

[12] Mark Stevenson, "Mexico Authorizes Military Policing for 4 More Years," Associated Press, May 11, 2020.

[13] 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.

[14] 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.

[15] Steven Dudley et al., "Mexico's Role in the Deadly Rise of Fentanyl," Wilson Center Mexico Institute and *InSight Crime*, February 2019. 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 an analog of the synthetic drug—45% more than in 2016.

Figure 2. Stratfor Cartel Map by Region of Influence

Published in January 2020

Source: Stratfor Global Intelligence, "Tracking Mexico's Cartels in 2020," https://worldview.stratfor.com/article/stratfor-mexico-cartel-forecast-2020#/entry/jsconnect/error.

Notes: The map indicates region of influence and origin of Mexico's TCOs, DTOs, or cartels.

Some Members of Congress are concerned about the persistent high levels of violence in Mexico, including attacks on journalists, attacks and killings of political candidates and their families that lead some Mexican candidates to withdraw from their races, judges fearing for their safety, and other aggressive measures taken against citizens and officials to ensure impunity. Overt political intimidation poses a significant threat to democracy in Mexico by the use of forced disappearances, violent kidnapping, and robbery to intimidate politicians and citizens.[16] The major Mexican crime groups have continued to diversify their operations by engaging in such crimes as human smuggling, extortion, and oil theft while increasing their lucrative drug business.

The U.S. Congress has expressed concern over the violence and has sought to provide oversight on U.S.-Mexican security cooperation. Congress may continue to evaluate how the Mexican government is combating the illicit drug trade, working to reduce related violence, and

[16] Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública, "Informe de Víctimas de Homocidio, Secuestro y Extorsión 2017," March 20, 2018; Kevin Sieff, "36 Local Candidates in Mexico Have Been Assassinated, Leading Others to Quit," *Washington Post*, May 21, 2018.

monitoring the effects of drug trafficking and violence on the security of both the United States and Mexico. Congress provided a new reporting requirement in the FY2020 National Defense Authorization Act (P.L. 116-92, §7211) that requires unclassified and classified reporting to Congress on foreign opioid traffickers, such as Mexico's TCOs. There is consideration in the FY2021 NDAA of an amendment to highlight countries that are significant sources of fentanyl.

Escalation of DTO-Related Homicide, Corruption, and Impunity

The number of homicides and the homicide rate grew substantially beginning in 2007 in the administration of President Felipe Calderón and stayed at elevated levels through ensuing Mexican administrations. The sharp rise in absolute numbers of deaths was unprecedented, even compared to other Latin American countries with similarly high rates of crime and homicides.[17] Estimates of Mexico's disappeared or missing—numbering more than 73,000 since 2007 as reported by the Mexican government in mid-2020—have generated domestic and international concern.[18] Alarm has grown about new bouts of extreme violence and the continuing discovery of mass graves around the country.[19]

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.[20] This report conveys Mexican government data, but the data have not been reported consistently or completely.[21] Although different tallies diverged, during President Calderón's tenure (2006-2012) there was a sharp increase in total homicides, which leveled off at the end of 2012 when Calderón left office. In the Enrique Peña Nieto administration, after a couple years' decline, a steep increase was recorded between 2016 to the end of 2018, which surpassed previous totals. According to some sources, since 2006, when violence grew in response to a more direct government assault on the crime groups through the end of 2018, Mexico experienced some 125,000-150,000 homicides related to organized crime. These homicides do not include the 73,000 considered to be missing or disappeared over the past 14 years as reported by the current government under President López Obrador nor the continued rise through its first 600 days in office.[22]

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[17] This finding appears in several annual reports from the University of San Diego's Justice in Mexico program, including in Calderón et al., *Organized Crime*.

[18] Mary Beth Sheridan, "Mexico's Plague of Disappearances Continues to Worsen," *Washington Post*, July 14, 2020; "Mexican Gov't Unveils Plan to Search for Missing People," *Agencia EFE* (English Edition), February 4, 2019.

[19] 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.

[20] The Mexican news organizations *Reforma* and *Milenio* both keep a 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.

[21] The government data published has changed over time. Under the Calderón government, tallies of "organized-crime-related" homicides were published until September 2011. The Peña Nieto administration also issued such estimates but stopped in mid-2013, only publishing data on all intentional homicides. The Justice in Mexico project has identified an average (over many years) of homicides linked to organized crime by assessing several sources. Of total homicides reported by the Mexican government, between 25% and 50% of those killings were likely linked to organized crime.

[22] Sheridan, "Mexico's Plague of Disappearances Continues to Worsen." The author notes, "In Mexico, the disappearances are blamed on a wider variety of culprits: organized crime gangs, police, the military or some combination of the three." For more on Mexico's National Search Commission set up by the López Obrador government, see Eoin Wilson, "Mexico: Coronavirus Pandemic Hasn't Stopped the Disappearances," *Al Jazeera*, June

A spate of crime in late 2019 appears to have been committed by factions of once cohesive criminal groups. In October, Mexican security forces seized a son of imprisoned Mexican drug kingpin Joaquín "El Chapo" Guzmán—until the Sinaloa Cartel responded with overwhelming force that brought chaos to the Sinaloa state's capital, Culiacán, and prompted authorities to quickly release him. Reportedly, there is a split within the once all-powerful Sinaloa DTO, involving one faction led by El Chapo's offspring and another led by a senior top leader (see Sinaloa section, below). In early November, nine U.S.-Mexican dual citizens of an extended Mormon family (including children) were slain in the border state of Sonora. These incidents 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.[23] In 2019, Mexico City—with one of the highest police-per-population ratios in the country and traditionally considered off-limits to overt cartel violence—registered its highest homicide level in 25 years, exceeding 1,500 murders.

As Mexico faced the novel coronavirus (COVID-19) pandemic in the spring of 2020, organized crime groups stepped up their activities, although in other countries in the region there were temporary declines in crime. Fighting among crime groups and cartels appears to have risen in Mexico, keeping homicides levels elevated. Fragmentation of DTOs has resulted in increased competition over drug infrastructure (see textbox).[24]

Crime and Coronavirus Response in Mexico

In the first six months of 2020, Mexico's homicide rate rose by an estimated near 2% over the record set in the same period of 2019. In 2020, armed battles between crime groups and Mexican security forces continued. In 12 of Mexico's 32 states, journalists reported social media depictions of cartel operatives passing out pandemic survival supplies (some stamped with DTO logos) in direct competition with Mexican authorities. Along the country's west coast, in certain municipalities (equivalent to U.S. counties) some of the larger DTOs have supplied other public goods and services. In the Pacific state of Guerrero, where dozens of criminal groups operate openly, police have been absent, and vigilante groups that reportedly have close links to the cartels imposed and enforced curfews.

Under pandemic quarantine (declared March 30 in Mexico), criminal groups have still fought for territory and drug trafficking routes. In some Mexican cities, opportunistic crimes such as mugging, kidnapping, or extortion declined during the COVID-19 lockdown, but powerful cartels, such as the Cártel Jalisco Nueva Generación (CJNG), have attacked competitors, keeping homicide levels elevated.[1] The pandemic has become an opportunity for the DTOs to exert greater power within their areas of influence, according to some analysts.

Sources: *The Guardian*, "Mexican Criminal Groups See Covid-19 Crisis as Opportunity to Gain More Power," April 20, 2020; José de Córdoba, "Mexico's Cartels Distribute Aid to Win Support," *Wall Street Journal*, May 15, 2020; Ioan Grillo, "How Mexico's Drug Cartels Are Profiting from the Pandemic," *New York Times*, July 7, 2020.

On June 16, 2020, a federal judge was killed who had supervised a case involving the son of the CJNG leader, Rubén "El Menchito" Oseguera, also allegedly a top cartel figure. The judge, who had ruled in a case involving El Menchito's 2020 extradition to the United States, had also delivered judgments in top Sinaloa Cartel cases. He and his wife were murdered outside their home in the capital city of Colima. Colima, a small state neighboring Jalisco, has in recent years

16, 2020; U.S. State Department, Bureau of Democracy, Human Rights, and Labor, *2019 Country Reports on Human Rights Practices*, March 11, 2020.

[23] 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; and Manuel Bojorquez, "Massacre of Mormon Family Reveals Evolution of Cartel Violence in Mexico," *CBS News*, November 9, 2019.

[24] Jane Esberg, "More Than Cartels: Counting Mexico's Crime Rings," *International Crisis Group*, May 8, 2020, https://www.crisisgroup.org/latin-america-caribbean/mexico/more-cartels-counting-mexicos-crime-rings.

seen Mexico's highest per capita rate of intentional homicides.[25] Less than two weeks later, on the morning of June 26, 2020, armed men ambushed Mexico City's police chief and secretary of public security, Omar García Harfuch, seriously wounding him and killing two bodyguards and a bystander. García Harfuch, from his hospital bed, accused the CJNG of launching the attack in a tweeted message.[26]

Many analysts contend these attacks mark CJNG's expansion across the country and willingness to go after Mexican government officials in a brazen fashion.[27] (For more background, see CJNG section below.) The use of strategic violence and displays of firepower by the DTOs to message to top public officials is a growing concern. Judges are reportedly citing the Mexico City incident to decline organized crime cases out of concern for their personal safety.[28]

Since early 2019, Mexico's northern border states of Baja California, Chihuahua, and Tamaulipas are where a significant number of migrants have resided in temporary shelters or provisional encampments under the Migrant Protection Protocols.[29] All these border states have homicide rates exceeding national averages. In 2019, as in the year before, Mexico's two cities with the highest incidence of violent crime were Ciudad Juárez, Chihuahua, with 1,281 murders; and Tijuana, Baja California, with 2,000 homicides[30] (see **Figure 3**). Migrants and border city residents were frequent victims of predatory crime in addition to homicide, such as kidnapping, robbery, and extortion. The battle for turf between the once predominant Sinaloa Cartel and its aggressive competitor—the CJNG—spawned chaotic violence from the border city of Tijuana all the way to Mexico's east coast.

Many U.S. policymakers have expressed deep concerns about the extent of territory not under central government control, where criminal groups and their fragments attempt to achieve dominance and ensure impunity from government authorities.[31] CJNG, for instance, was involved in violent clashes with rivals to control border crossings and smuggling routes into the United States.

In March 2020, Mexico experienced its most violent month, with 3,000 murder victims reported. The central state of Guanajuato was Mexico's most violent state in the first half of 2020, with brutal attacks on two drug rehabilitation centers in the same city that resulted in 10 and 28 homicides, respectively. A battle over the illicit petroleum market between two major rivals, CJNG and the oil tappers of the Cártel Santa Rosa de Lima (CSRL), boosted crime related fatalities in Guanajuato.[32] Both the leader of CSRL, José Antonio Yépez, known as "El Morro," and CJNG leaders threaten government officials to deter enforcement actions against them.[33]

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[25] Zachary Goodwin, "Why One of Mexico's Smallest States Is Also Its Most Violent, *InSight Crime*, June 24, 2020. The article notes that the remains of a Colima congresswoman, Anel Bueno, were found in an unmarked grave two weeks before the judge's murder.

[26] Kevin Sieff, "Mexico's Bold Jalisco Cartel Places Elite in Its Sights," *Washington Post*, July 14, 2020.

[27] Ioan Grillo, "How Mexico's Drug Cartels Are Profiting from the Pandemic;" James Bosworth, "Mexico Security Update—June 2020," June 29, 2020; "Mexico Security Update—July 2020," July 6, 2020.

[28] For remarks by Mexico's attorney general, see Gustavo Castillo García, "Va el 'Narco' por el Control Político y Territorial: Gertz," *La Jornada*, July 7, 2020.

[29] The Trump Administration's Migration Protection Protocols allow for persons seeking asylum in the United States to be returned to Mexico to await their U.S. hearings.

[30] Data provided by the University of San Diego's Justice in Mexico project to CRS, May 1, 2020.

[31] For more on criminal fragmentation, see Esberg, "More Than Cartels."

[32] Jorgic and Sanchez, "As Mexico Focuses on Coronavirus, Drug Gang Violence Rises;" Falko Ernst, "Mexican Criminal Groups See Covid-19 Crisis as Opportunity to Gain More Power," *The Guardian*, April 20, 2020.

[33] El Morro, for instance, threatened the state government of Guanajuato and federal officials in June 2020 when his cousin, wife, and mother were picked up in a sweep to limit the CSRL's oil theft.

Inter-cartel battles over the lucrative synthetic opioid fentanyl market in several states in central Mexico have also expanded over the past couple of years.

Figure 3. Major Ports of Entry at the U.S.-Mexico Border

Source: Prepared by CRS.

Corruption and Government Institutions

The criminal involvement of state governors with the DTOs and other criminals is one window into the extent of corruption in the layers of government and across parties in Mexico.[34] Twenty former state governors, many from the long-dominant Institutional Revolutionary Party (PRI), were under investigation or in jail in 2018.[35] Former governors of the states of Coahuila, Tamaulipas, and Quintana Roo have been charged with money laundering and conspiracy. Other noteworthy examples of allegedly corrupt former governors include those prosecuted in Mexico and the United States:

- Tomás Yarrington of Tamaulipas (1999-2005) 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 racketeering. Since 2012, he had been under investigation for his links to the Gulf Cartel and Los Zetas in Mexico.[36]

[34] 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, https://americasquarterly.org/wp-content/uploads/2020/05/2019CCC_Report.pdf; CRS Report R45733, *Combating Corruption in Latin America: Congressional Considerations*, coordinated by June S. Beittel.

[35] 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, *2018 Country Reports on Human Rights Practices*, April 2019.

[36] U.S. Department of Justice, "Former Mexican Governor Extradited to the Southern District of Texas," press release,

- César Duarte of Chihuahua (2010-2016) of the PRI was an international fugitive wanted on a Red Notice by Interpol until his July 2020 arrest in Florida (during a visit of President López Obrador to Washington, DC) for extradition back to Mexico.[37]
- 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 have exceeded 5,000.[38] Following his trial in Mexico, Duarte received a nine-year sentence in September 2018.[39]

Over the six years of PRI President Peña Nieto's term (2012-2018), Mexico fell 32 places in Transparency International's Corruption Perception Index.[40] In the 2019 survey Mexican respondents' perceptions of corruption improved slightly due to the popularity of President Lopéz Obrador in his first year in office. However, citizen perceptions of the security situation in Mexico appear to have worsened in much of the country in the first months of 2020.

Another non-governmental study on combating corruption in the region examined the capacity of 15 countries in Latin America and the Caribbean to uncover, prevent, and punish corruption. Mexico's ranking was near the middle in the 2020 survey but had moved little from the year before due to meager progress on long-term institutional reforms and low independence and efficiency in the legal system.[41]

April 20, 2018, https://www.justice.gov/usao-sdtx/pr/former-mexican-governor-extradited-southern-district-texas.

[37] Jacob Sánchez, "Gobierno de Chihuahua Anuncia Cacería de Propiedades de César Duarte en EU," *El Sol de México*, November 27, 2019; Reuters, "Fugitive Mexican Governor Arrested in Miami," July 8, 2020.

[38] 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.

[39] "Mexico Fugitive Ex-Governor Roberto Borge Extradited," *BBC News*, January 4, 2018, 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, https://www.elsoldemexico.com.mx/republica/justicia/vinculan-a-proceso-a-exgobernador-de-quintana-roo-roberto-borge-concesiones-isla-mujeres-4451151.html.

[40] See *Corruption Perceptions Index 2018*, Transparency International, January 29, 2018, https://www.transparency.org/cpi2018 and https://www.transparency.org/news/feature/cpi-2018-regional-analysis-americas.

[41] Roberto Simon and Geert Aalbers, *The Capacity to Combat Corruption (CCC) Index: Assessing Latin America's Ability to Detect, Punish and Prevent Corruption Amid COVID-19 2020*, Anti-Corruption Working Group, AS/COA, Americas Quarterly, and Control Risks, June 8, 2020.

Links Among Crime Groups, Police, and Other High-Ranking Officials

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

When 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 senior Mexican government officials took bribes from Guzmán. One prosecution witness alleged that then-President Enrique Peña Nieto (2012-2018) received a $100 million bribe from Guzmán, an allegation Peña Nieto strongly disputed. Some observers maintain that allegation was far-fetched.

In December 2019, Genaro García Luna was arrested in Texas on a U.S. indictment accused of taking multimillion-dollar bribes from the Sinaloa Cartel while holding top law enforcement positions. García Luna headed Mexico's Federal Investigation Agency from 2001 to 2005 (under former President Vicente Fox of the National Action Party, or PAN) and then, under President Felipe Calderón, also of PAN, he became secretary of public security. García Luna left Mexico in 2012 and sought to become a naturalized U.S. citizen. President López Obrador cited García Luna's U.S. arrest as evidence that the preceding Calderón government's fierce enforcement strategy had not successfully repelled the DTOs and that his administration's alternative approach was more effective in reducing corruption.

Sources: Alan Feuer, "The Public Trial of El Chapo, Held Partially in Secret," *New York Times*, November 21, 2018; Steven Dudley, "The End of the Big Cartels: Why There Won't Be Another Chapo," *InSight Crime*, March 18, 2019; 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.

In early 2020, U.S. Secretary of State Mike Pompeo designated former Nayarit Governor Roberto Sandoval Castañeda (2011-2017, PRI Party) and his immediate family for corruption in misappropriating state assets and accepting bribes from the CJNG and the Beltran Leyva Organization. This designation was made under the Global Magnitsky Human Rights Accountability Act, rendering the designees ineligible for U.S. visas.[42]

Criminal Landscape in Mexico

The splintering of the large DTOs into competing factions and gangs of different sizes began in 2007 and continues today. The emergence of these different crime groups, ranging from TCOs to small local mafias (with certain trafficking or other crime specialties), has made the crime situation diffuse and the crime groups' behavior harder to suppress or 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 have resisted norms that might limit violence. Moreover, rivalries among a greater number of organized crime "players" have led to more violence, although in some cases the smaller organizations are "less

[42] U.S. Department of State, "Public Designation of the Former Governor of the Mexican State of Nayarit, Roberto Sandoval Castañeda, Due to Involvement in Significant Corruption," press release, February 28, 2020. For more background, seeCRS In Focus IF10576, *The Global Magnitsky Human Rights Accountability Act*, by Dianne E. Rennack; and CRS Report R46362, *Foreign Officials Publicly Designated by the U.S. Department of State on Corruption or Human Rights Grounds: A Chronology*, by Liana W. Rosen and Michael A. Weber.

able to threaten the state and less endowed with impunity."[43] However, the larger organizations (Sinaloa, for example) that have adopted a cellular structure are able to still protect their leadership, such as the 2015 escape orchestrated for Sinaloa leader El Chapo Guzmán through a mile-long tunnel from a maximum-security Mexican prison.

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. 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, such as a competitor cartel, are responsible. Some shootouts are not reported as a result of media self-censorship or because the bodies disappear.[44] One opposite example is the reported death in 2010 of a leader of the Knights Templar, Nazario Moreno González, but no body was recovered at the time. Rumors of his survival persisted and were confirmed in 2014, when he was killed in a gun battle with Mexican security forces.[45] (See section on Knights Templar below.)

Forced disappearances in Mexico have also become a growing concern, and efforts to accurately count the missing or forcibly disappeared have been limited, a problem exacerbated by underreporting. Government estimates of the number of disappeared people in Mexico have varied widely over time, especially of those who are missing due to force and possible homicide, although an effort to accurately assess this problem is a focus of the current Mexican government's security strategy.[46] The López Obrador government has established a National Search Commission and announced in June 2020 that more than 73,000 Mexicans are missing or disappeared.[47]

In the Gulf Coast state of Veracruz, a vast mass grave was unearthed in 2017 that contained some 250 skulls and other remains, some of which were found to be years old.[48] Journalist watchdog group *Animal Político*, which focuses on combating corruption with transparency, concluded in a 2018 investigative piece that many states lack equipment to adequately investigate violent crime. For example, the authors found that 20 of Mexico's 32 states lack biological databases needed to identify unclaimed bodies. Additionally, 21 states lack access to the national munitions database used to trace bullets and weapons.[49]

The State Department's June 2020 U.S. travel advisory for Mexico, which cautioned generally against travel to Mexico due to COVID-19 pandemic concerns, warned that five Mexican states are not recommended for travel due to crime—Colima, Guerrero, Michoacán, Sinaloa, and

[43] Patrick Corcoran, "Mexico Government Report Points to Ongoing Criminal Fragmentation," *InSight Crime*, April 14, 2015.

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

[45] 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.

[46] For more on the López Obrador administration's security approach, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by Clare Ribando Seelke.

[47] For more background on the commission, see State Department, *2019 Country Reports on Human Rights Practices: Mexico*.

[48] McDonnell and Sanchez, "A Mother Who Dug in a Mexican Mass Grave;" "Mexico Violence: Skulls Found in a New Veracruz Mass Grave," *BBC News*, March 20, 2017.

[49] Arturo Angel, "Dos Años del Nuevo Sistema Penal: Mejoran los Juicios, pero no el Trabajo de Policías, Fiscalías," *Animal Político*, June 18, 2018, https://www.animalpolitico.com/2018/06/nuevo-sistema-penal-estudio-juicios/.

Tamaulipas—and recommended reconsideration of travel for another 11 due to crime. The total of 16 states featured in the June advisory comprise half of Mexico's states.[50]

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 a million, but in such a count the definition of the causes for displacement is broad and includes anyone who moved due to violence. Dislocated Mexicans often cite clashes between armed groups or with Mexican security forces, inter-gang violence, and fear of future violence as reasons for leaving their homes and communities.[51]

Illicit Drugs in Mexico and Components of Its Drug Supply Market

Today, the major Mexican DTOs are poly-drug, 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 2020 *International Narcotics Control Strategy Report* (INCSR), Mexico is a significant source and transit country for heroin, marijuana, and synthetic drugs (such as methamphetamine and fentanyl) destined for the United States. Mexico remains the main trafficking route for U.S.-bound cocaine from the major supply countries of Colombia and (to a lesser extent) Peru and Bolivia.[52] The Drug Enforcement Administration (DEA) notes that traffickers and retail sellers of fentanyl and heroin combine them in various ways, such as pressing the combined powder drugs into highly addictive and extremely powerful counterfeit pills.

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 opium poppy cultivation has flourished in the state for decades.[53] It has also been the home of Mexico's most notorious and successful drug traffickers.

Cocaine. Cocaine of Colombian origin supplies most of the U.S. market, and most of that supply is trafficked through Mexico. Mexican drug traffickers are the primary wholesalers of U.S. cocaine. According to the White House Office of National Drug Control Policy (ONDCP), coca cultivation and cocaine production in Colombia increased to a record 951 metric tons of pure cocaine in 2019, an 8% rise over 2018.[54] Cutting cocaine with synthetic opioids (often unbeknownst to users) has become more commonplace and increases the dangers of overdose.

Heroin and Synthetically Produced Opioids. In its 2019 *National Drug Threat Assessment* (NDTA), the DEA warns that Mexico's crime organizations, aided by corruption and impunity, present an acute threat to U.S. communities given their dominance in heroin and fentanyl exports. Mexico's heroin traffickers, who traditionally provided black or brown heroin to the western part of the United States, in 2012 and 2013 began to change their opium processing methods to

[50] U.S. Department of State, Bureau of Consular Affairs, Mexico Travel Advisory, June 17, 2020, https://travel.state.gov/content/travel/en/traveladvisories/traveladvisories/mexico-travel-advisory.html.

[51] 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.

[52] U.S. State Department, *International Narcotics Control Strategy Report*, March 2020.

[53] 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, a third of the population is estimated to make their living from the illicit drug trade.

[54] White House, ONDCP, "United States and Colombian Officials Set Bilaeral Agenda to Reduce Cocaine Supply," press release, March 5, 2020.

produce white heroin, a purer and more potent product. The DEA maintains that no other crime groups, foreign or domestic, have a comparable reach to distribute within the United States.[55]

According to the ONDCP, 41,800 hectares of opium poppy were cultivated in Mexico in 2018—down 5% compared to 2017 but up 280% since 2013. Mexico's potential production of pure heroin rose to 106 metric tons (MT) in 2018 from 26 MT in 2013.[56] The DEA reports that 90% of U.S. seized heroin comes from Mexico, which is increasingly laced with fentanyl.

The extent of Mexico's role in production of fentanyl, which is 30-50 times more potent than heroin, is less well understood than Mexico's role in fentanyl trafficking, which is increasingly well documented.[57] What is known is that seizures of fentanyl, fentanyl analogs, and methamphetamine—the leading synthetic lab-produced drugs entering the U.S. illicit drug market—have been rising along the Southwest border. (For U.S. Customs and Border Protection seizure data, see **Figure 4**.)

Illicit imports of fentanyl from Mexico involve Chinese-produced fentanyl or fentanyl precursors coming most often from China. Many analysts contend that plant-sourced drugs, such as heroin and morphine, may be gradually replaced in the criminal market by synthetic drugs. In the first half of 2019, according to the State Department, Mexico seized 157.3 kilograms of fentanyl, a 94% increase over the same time period in 2018.[58] Some observers suggest that if synthetic drugs continue to expand their market share, the drug cartel structure that has relied upon control of opium production, heroin manufacture, and distribution using the plaza system in Mexico for trafficking drugs for sale inside the United States could be disrupted. Synthetic drug trafficking with distribution arranged over the internet via the Dark Web would replace it. Abandoning heroin for the cheaper-to-produce fentanyl might cause Mexican opium farmers to be thrown out of work.[59]

[55] 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.

[56] For background on Mexico's heroin and fentanyl exports, see CRS In Focus IF10400, *Trends in Mexican Opioid Trafficking and Implications for U.S.-Mexico Security Cooperation*, by Liana W. Rosen and Clare Ribando Seelke.

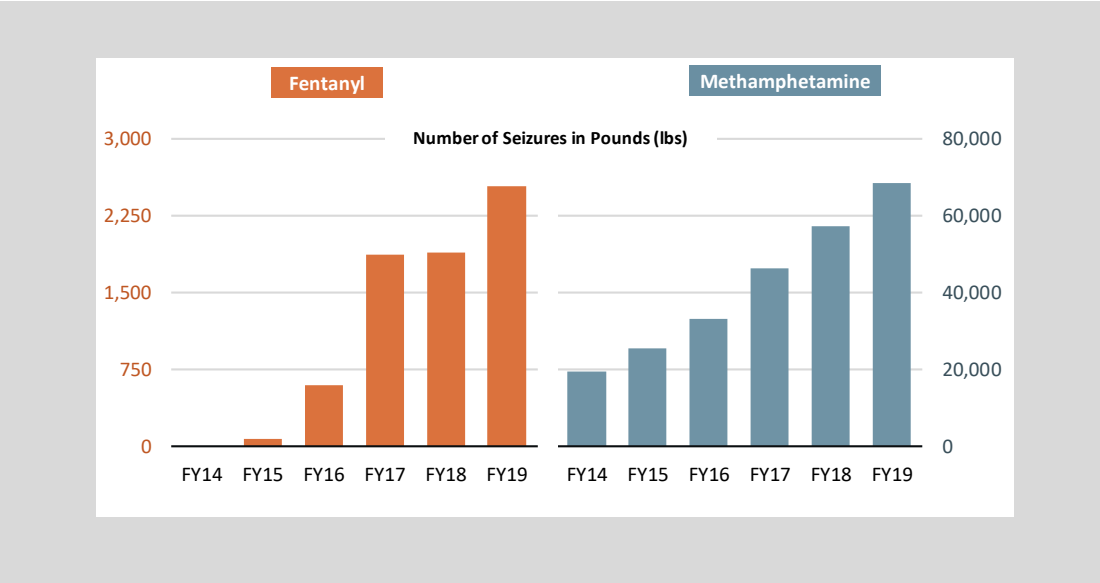
[57] DEA, 2017 *National Drug Threat Assessment*, DEA-DCT-DIR-040-1, October 2017. See also Steven Dudley, "The End of the Big Cartels: Why There Won't Be Another El Chapo," *InSight Crime*, March 18, 2019.

[58] U.S. State Department, *International Narcotics Control Strategy Report*, March 2020.

[59] For sources of the concepts here, see Dudley, "The End of the Big Cartels;" testimony of Bryce Pardo, 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; Vanda Felbab-Brown, "Fending Off Fentanyl and Hunting Down Heroin: Controlling Opioid Supply from Mexico," Brookings Institution, July 2020.

Figure 4. U.S. Customs and Border Patrol Seizures of Fentanyl and Methamphetamine

Data from FY2014-FY2019



Source: U.S. Customs and Border Protection, Office of Field Operations' Nationwide Drug Seizures and U.S. Border Patrol's Nationwide Seizures, https://www.cbp.gov/newsroom/stats/cbp-enforcement-statistics.

Notes: Prepared by CRS Graphics.

However, the economic devastation of the coronavirus pandemic, projected by the International Monetary Fund to reduce economic growth in Mexico by more than 10% in 2020 (estimated as of June 2020), may temporarily push former opium growers back into cultivation. The medium- and longer-term impact of the pandemic and coming recession on drug markets and consumer demand remains unknown.[60]

Methamphetamine. Mexican-produced methamphetamine has overtaken U.S. sources of the drug and expanded into nontraditional methamphetamine markets inside the United States, allowing Mexican traffickers to control the wholesale market inside the United States, according to the DEA. The expansion of methamphetamine seizures inside Mexico, as reported by the annual INCSR, is significant. As of August 2018, as reported in the 2019 INCSR, Mexican authorities had seized 130 MT of methamphetamine, due in part to a large seizure of some 50 MT in Sinaloa.[61] U.S. methamphetamine seizures significantly increased between 2014 and 2019, as shown in **Figure 4**. The purity and potency of methamphetamine has driven up overdose deaths in the United States.

Cannabis. In the first six months of 2019, Mexico seized 91 MT of marijuana and eradicated more than 2,250 hectares of marijuana, according to the State Department's 2020 INCSR.

[60] Many analysts have made observations about the near-term impacts of the pandemic, but there is a diversity of perspectives on the long term. See Parker Asmann, Chris Dalby and Seth Robbins, "Six Ways Coronavirus Is Impacting Organized Crime in the Americas," *InSight Crime,* May 4, 2020; Ernst, "Mexican Criminal Groups See Covid-19 Crisis as Opportunity to Gain More Power;" Robert Muggah, "The Pandemic Has Triggered Dramatic Shifts in the Global Criminal Underworld," *Foreign Policy,* May 8, 2020.

[61] Arthur DeBruyne, "An Invisible Fentanyl Crisis Emerging on Mexico's Northern Border," *Pacific Standard,* February 6, 2019. 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.

Authorities are projecting a continued decline in U.S. demand for Mexican marijuana because drugs "other than marijuana" will likely predominate. This is also the case due to legalized cannabis or medical cannabis in several U.S. states and Canada, reducing its value as part of Mexican trafficking organizations' portfolio. Mexico is also considering cannabis legalization and regulation.

Evolution of the Major Drug Trafficking Groups

The DTOs have been in constant flux in recent years.[62] 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, formerly 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 seven 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 seven groups have fragmented. In the past decade, as fragmentation has produced many more criminal actors, it has been accompanied by many groups' diversification into other types of criminal activity, as noted earlier. The following section focuses on the nine currently most prominent DTOs (about which the most information is readily available) and whose current status illuminates the fluidity of all the crime groups in Mexico as they face new challenges from competition and changing market dynamics. Some analysts maintain there may be as many as 20 major organizations and more than 200 criminal groups overall.[63]

Nine Major DTOs

Reconfiguration of the major DTOs—often referred to as TCOs due to their diversification—preceded the intensive fragmentation that exists today. The Gulf Cartel, based in northeastern Mexico, had a long history of dominant 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.[64]

Sinaloa survived the arrest of its billionaire founder El Chapo Guzmán in 2014. The federal operation to capture and detain Guzmán, which gained support from U.S. intelligence, was viewed as a major victory for the Peña Nieto government. Initially the kingpin's arrest did not

[62] 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.

[63] Muggah, "The Pandemic Has Triggered Dramatic Shifts in the Global Criminal Underworld;" Esberg, "More Than Cartels."

[64] 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."

spawn a visible power struggle within the DTO. His dramatic escape in July 2015 followed by his re-arrest 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 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.[65]

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 as Mexico's largest and most dangerous DTO. The CJNG has thrived with the decline of the Knights Templar, which was targeted by the Mexican government.[66] The CJNG has assassinated numerous public officials in an effort to intimidate the Mexican government.

Open-source research about the traditional DTOs and their successors mentioned above is more available than information about smaller factions. With as many as 200-400 criminal groups, it is hard to assess longevity or even do a census of which ones are major actors. Current information about the array of new regional and local crime 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 has historically controlled the drug smuggling route between Baja California (Mexico) to southern California.[67] 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 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.[68]

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

[66] Juan Montes and José de Córdoba, "Cartel Becomes Top Mexico Threat," *Wall Street Journal*, July 9, 2020; Luis Alonso Pérez, "Mexico's Jalisco Cartel—New Generation: From Extinction to World Domination," *InSight Crime* and *Animal Politico*, December 26, 2016.

[67] 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 DTO as one that derives much of the organization's income from charging fees to other DTOs using its transportation points across the U.S.-Mexican border.

[68] 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.

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.[69] The other was the Juárez DTO, also 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.[70] 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 leadership.

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.[71] 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.[72]

In 2013, the DEA identified Sánchez Arellano as one of the six most influential traffickers in the region.[73] 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.[74] The CJNG has apparently 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.[75] Some analysts maintain that 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. As noted previously, Tijuana was the city with the highest number of homicides in the country in both 2018 and 2019.

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[69] Mark Stevenson, "Mexico Arrests Suspected Drug Trafficker Named in US Indictment," Associated Press, October 24, 2013.

[70] Steven Dudley, "Who Controls Tijuana?," *InSight Crime*, May 3, 2011. Sánchez Arellano took control in 2006 after the arrest of his uncle, Javier Arellano Félix.

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

[72] "Mexico Security Memo: Torreon Leader Arrested, Violence in Tijuana," *Stratfor Worldview*, April 24, 2013, 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 CJNG, or otherwise not affiliated with Los Zetas to also use the plaza. For more information, see Nathan P. Jones, "Explaining the Slight Uptick in Violence in Tijuana," Baker Institute, September 17, 2013, http://bakerinstitute.org/files/3825/.

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

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

[75] 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.

Sinaloa DTO

Sinaloa, described as Mexico's oldest and most established DTO, is comprised of a network of smaller organizations. In April 2009, President Barack Obama designated the notorious Sinaloa Cartel as a drug kingpin entity pursuant to the Kingpin Act.[76] Frequently 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 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.[77] The Sinaloa Cartel has long been identified by the DEA as the primary trafficker of drugs to the United States.[78] 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 August 2017, the U.S. Department of Treasury, sanctioned the Flores DTO and its leader, Raúl Flores Hernández, as kingpins.[79]

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—after re-arrest the year prior, 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.[80] 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 principal leader of the Sinaloa Cartel and for 26 drug-related charges, including a murder conspiracy.[81]

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[76] 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.

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

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

[79] 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.

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

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

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.[82] Sinaloa may operate with a more horizontal leadership structure than previously thought.[83] 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.[84] 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.

The Sinaloa Cartel has appeared under a certain amount of pressure thus far in 2020. 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 intra-organizational tensions. The CJNG has evidently battled against its former partner, Sinaloa, in a number of regions and has been deemed by several authorities to be Mexico's new most expansive cartel. Friction between the two factions of the Sinaloa organization intensified in May and June 2020, with violent infighting between a faction led by El Chapo's children (known collectively as "Los Chapitos") and those aligned with a faction under El Mayo.[85]

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.[86] 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.[87] The ensuing rivalry between the Juárez DTO and the Sinaloa DTO helped to turn Ciudad 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

[82] 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.

[83] 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 "El Mayo" and Esparragoza long before his arrest.

[84] "Revelan Estructura y Enemigos de 'El Chapo'," *Excélsior*, March 26, 2014; Bailey, "Drug Trafficking Organizations and Democratic Governance," p. 119.

[85] Parker Asmann, "Three Massacres Expose Weakness of Mexico's 'Catch-all' Security Policy," *InSight Crime*, July 9, 2019.

[86] Bailey, "Drug Trafficking Organizations and Democratic Governance," p. 121.

[87] 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.

spikes in homicides, extortion, kidnapping, and theft—at one point reportedly experiencing 10 murders a day.[88] 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 and 2010 came from the border city, even though it had only slightly more than 1% of Mexico's population.[89]

Traditionally a major trafficker of both marijuana and cocaine, the Juárez Cartel became 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.[90] Some analysts posit Sinaloa's success in its battle over the Juárez DTO after 2012 abetted by local authorities as the reason for the relatively peaceful and unchallenged control of the border city despite the Juárez DTO's continued presence in the state.[91] The El Paso and Juárez transit route experienced regular violence with the rise in killings on the Mexican side of the border since 2016, however, largely thought to be a battle for control between Sinaloa and CJNG and through their proxies.[92]

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.[93] 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 has reportedly split into several competing 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.[94]

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.[95] 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

[88] 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.

[89] 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).

[90] Calderón launched *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," *CNN Mexico*, 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.

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

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

[93] Bailey, "Drug Trafficking Organizations and Democratic Governance," p. 120.

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

[95] 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.

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.[96]

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.[97] Others posit that 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.

Mexican federal forces identified and targeted a dozen Gulf and Zeta bosses they believed responsible for the wave of violence in Tamaulipas in 2014.[98] 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.[99]

From 2014 through 2016, Tamaulipas state reported daily kidnappings, daytime shootings, and burned down bars and restaurants in towns and cities in many parts of the state, 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, kidnapping, and widespread extortion. In the 2019 NDTA, the DEA maintains that the Gulf Cartel, which has been around for several decades, traditionally focused on the cocaine and marijuana trade but has expanded into heroin and methamphetamine, and it smuggles a majority of its drug shipments into South Texas.[100]

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.[101] Although Zeta members are part of a prominent transnational DTO, their main asset is not drug smuggling but organized violence. They evolved from the armed wing of the Gulf Cartel to an outfit in their own right that amassed significant power to carry out an extractive business model, thus generating revenue from crimes such as fuel theft, extortion, human smuggling, piracy, and kidnapping, which are

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

[97] 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.

[98] 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.

[99] 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 reluctant to report on criminal violence and its consequences.

[100] DEA, *2019 NDTA*.

[101] 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.

widely seen to inflict more suffering on the Mexican public than does transnational drug trafficking.[102]

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 been less inclined to attempt to win support of local populations of the territory in which they operate. 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.[103] Los Zetas are known to kill those who cannot pay extortion fees or who refuse to work for them, often targeting migrants.[104]

In 2012, Mexican marines killed longtime Zeta leader Heriberto Lazcano (alias "El Lazca"), one of the founders of Los Zetas, in a shootout in the northern state of Coahuila.[105] 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. According to Mexico's former attorney general, federal government efforts against the cartels through April 2015 hit Los Zetas the hardest, with more than 30 of their leaders removed.[106]

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, losses by Pemex, Mexico's state oil company, from siphoned off oil in recent years have exceeded $3 billion. In 2017, the Atlantic Council released a report estimating that Los Zetas controls about 40% of the market in stolen oil. Los Zetas have resisted government attempts to curtail their sophisticated networks.[107]

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 rival factions are Cartel del Noreste (CDN), a re-branded version of the traditional core of Los Zetas, and the Old School Zetas, known by their Spanish acronym EV. One scholar has characterized how Los Zetas succeeded in spinning off powerful franchises or cells after

[102] Bailey, "Drug Trafficking Organizations and Democratic Governance," p. 120; interview with Alejandro Hope, Wilson Center, July 2014.

[103] 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.

[104] 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.

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

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

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

leadership decapitation.[108] According to the 2019 NDTA, Los Zetas continue to traffic a range of drugs, including heroin and cocaine, through distribution hubs in Laredo, Dallas, and New Orleans.

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 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.[109] 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.[110] 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 the scope of its involvement in the drug trade.[111] 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 authorities in the Peña Nieto government, murdered 43 Mexican teacher trainees, who were handed to them by local authorities in Guerrero, and then burned their bodies.[112]

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 has likely declined significantly after Mexican authorities arrested many of its leaders. According to the 2019 NDTA,

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[108] See, for example, Guadaulpe Correa-Cabrera, *Los Zetas Inc.: Criminal Corporations, Energy, and Civil War in Mexico* (Austin, TX: University of Texas Press, 2017).

[109] 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.

[110] 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, a former Beltrán Leyva Organization (BLO) operative and Sinaloa Cartel ally, was arrested in Mexico in 2010 and later extradited to the United States in 2015. After originally pleading not guilty, he eventually reached a plea deal with U.S. prosecutors and in June 2018 was sentenced to nearly 50 years in prison. Parker Asmann, "Was Mexico Cartel Enforcer 'La Barbie' a U.S. Informant?," *InSight* Crime, June 15, 2020, https://www.insightcrime.org/news/analysis/mexico-la-barbie-informant/.

[111] 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.

[112] 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.

the BLO splinter factions rely on loose alliances with the CJNG, the Juárez Cartel, and elements of Los Zetas to move drugs across the border.[113]

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.[114] 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.[115] 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.[116] A month later, spiritual leader and co-founder Nazario "El Más Loco" Moreno González was reportedly killed, although authorities claimed that his body was stolen.[117] The body was never recovered, and Moreno González reappeared in another shootout with Mexican federal police in 2014, after which his death was officially confirmed.[118] 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.[119]

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.[120] 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.[121] 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 some trafficking of other synthetic drugs. It has also been known to traffic marijuana and cocaine and to tax and regulate the production of heroin.

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[113] DEA, *2019 NDTA*.

[114] 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).

[115] 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.

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

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

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

[119] 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 José de Jesús 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.

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

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

Knights Templar

The Knights Templar began as a splinter group from LFM, 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 it 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.

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. 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, but authorities cautioned that some of the self-defense groups 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. They note some gains in the effort to combat the Knights Templar when government security forces had been unsuccessful, although conflict between self-defense groups has also led to violence.

The Knights Templar has reportedly emulated LFM's penchant for diversification. The Knights Templar battled the LFM, and by 2012 its control of Michoacán was nearly as widespread as LFM's had once been, especially by demanding that local businesses pay it tribute through hefty levies. The Knights Templar also moved aggressively into illegal mining, such as mining iron ore from illegally operated mines. Through mid-2014, the Knights Templar had reportedly been using Mexico's largest port, Lázaro Cárdenas, located in the southern tip of Michoacán, to smuggle illicit goods.[122] 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.[123]

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, weeks later.[124] Previously, the self-defense forces and the Knights Templar had reportedly 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 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.

[122] Reuters, "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.

[123] Interview with Eduardo Guerrero, July 2014.

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

Cártel Jalisco Nuevo Generación

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. The group is based in Jalisco state with operations in central Mexico, including the states of Colima, Michoacán, México State, Guerrero, and Guanajuato.[125] It has grown into a dominant force in the states of the Tierra Caliente, including parts of Guerrero, Michoacán, and the state of Mexico. The CJNG has early roots in the Milenio Cartel, which was active before 2010 in the Tierra Caliente region of southern Mexico.[126]

The CJNG reportedly served as an enforcement group for the Sinaloa DTO until the summer of 2013.[127] Analysts and Mexican authorities have suggested that the split between Sinaloa and CJNG is one of the many indications of a general fragmentation of crime groups. 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. He was replaced by the current leader, Nemesio Oseguera Cervantes, known as El Mencho. In January 2014, the Mexican government arrested the leader's son, Rubén "El Menchito" Oseguera, believed to be the CJNG's second-in-command. However, El Menchito, who was released by Mexican judges twice, was re-arrested by Mexican authorities and later extradited to the United States in February 2020.[128]

In 2015, the Mexican government declared the CJNG one of the most dangerous cartels in the country. In 2016, the U.S. Department of the Treasury echoed the Mexican government when it described the group as one of the world's "most prolific and violent drug trafficking organizations."[129] According to some analysts, the CJNG has operations throughout the Americas, Asia, and Europe. The group is allegedly 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."[130]

To best understand the CJNG's international reach, it is important to first consider its expansion within Mexico. In 2016, many analysts maintained that CJNG controlled a territory equivalent to almost half of Mexico. 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.[131] The CJNG's ambitious expansion campaign has led to high levels of violence, particularly in Ciudad Juárez and Tijuana.[132] The group has also been linked to several mass graves in southwestern Mexico and was responsible for shooting down a Mexican army helicopter in 2015, the first successful takedown of a military asset of its kind in Mexico.[133]

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

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

[127] Reportedly, CJNG's leadership was originally composed of former associates of slain Sinaloa DTO leader Ignacio "Nacho" Coronel, who operated his Sinaloa faction in Jalisco until he was killed by security forces in July 2010.

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

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

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

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

[132] 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.

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

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.[134] 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.[135]

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 an extremely powerful cartel, with a presence in 27 of 32 Mexican states in 2020. Its reputation for extreme and intimidating violence continues. The daylight ambush of Mexico City's chief of police Omar García Harfuch in late June 2020 was preceded by publicized threats that targeted him and the Jalisco state governor, Enrique Alfaro. Press reports say the tally of CJNG's attacks on Jalisco public officials exceeds 100, including lawmakers, federal, state and local police, soldiers, and Jalisco's minister of tourism. Notably, the DEA considers CJNG a top U.S. threat and Mexico's most well-armed DTO and has offered a $10 million reward for information leading to the arrest of El Mencho, who is believed to be hiding in the mountains of Jalisco, Michoacán, and Colima. He is a former police officer who once served time for heroin trafficking in California. CJNG was the target of a major DEA operation in March 2020 that resulted in some 600 arrests.[136]

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 was originally an allied faction or the armed wing of Sinaloa organization.

A newer cartel, known as Los Cuinis, was also 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."[137] 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

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

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

[136] Montes and Córdoba, "Cartel Becomes Top Mexico Threat." Sieff, "Mexico's Bold Jalisco Cartel Places Elite in Its Sights." See also U.S. Department of Justice, "DEA-Led Operation Nets More Than 600 Arrests Targeting Cártel Jalisco Nueva Generación," press release, March 11, 2020.

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

resurging violence.[138] 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 among different groups, and their shifting allegiances often catalyzed by government enforcement actions make elusive an accurate portrait of the current criminal landscape. As noted earlier, in the last months of 2019, almost all the investigations of flagrant incidents of violence involving the DTOs in Sinaloa state, the Tierra Caliente region, and the Mexican border states were committed by fragments of formerly cohesive criminal groups. 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, such as legalization of marijuana in some states and Canada and a large increase in demand for plant-based and synthetic opioids.[139]

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 return responsibility for addressing this challenge from military forces back to the police. Former President Peña Nieto did not succeed in a stated objective to reduce the scope of the military's role in domestic policing, and military enforcement activities led to serious allegations of torture and human rights abuses. Current President López Obrador decided to continue a militarized policing strategy. He reauthorized a continuation of Mexican armed forces in domestic law enforcement through the remainder of his tenure. The National Guard he began deploying in July 2019 has had, thus far, fewer abuse allegations.[140] The government of President López Obrador continues to face DTO-related corruption charges against public officials, politicians, and members of the nation's police forces. As of mid-2020, President López Obrador's campaign pledges to carry out broader anti-corruption efforts have not been fully implemented.[141]

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[138] In Colombia's case, successfully targeting the huge and wealthy Medellín and Cali cartels and dismantling them meant that a number of smaller DTOs (*cartelitos*) replaced them. 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. However, there were critical 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 Mexican counterparts.

[139] Morris Panner, "Latin American Organized Crime's New Business Model," *ReVista*, vol. 11, no. 2 (Winter 2012). The author comments that "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."

[140] Maureen Meyer, "Strengthening Security and Rule of Law in Mexico," testimony before the House Committee of Foreign Affairs, Subcommittee on the Western Hemisphere, Civilian Security, and Trade, January 15, 2020.

[141] Calderón et al., *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. For more background, see **Appendix**.

As discussed in this report, the splintering of the large criminal organizations has led to increased violence. 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, highly fractured groups.[142] The central states of Jalisco, Colima, and Guanajuato, where criminal markets were in flux, saw Mexico's most intense violence during 2019 and into early 2020. Two causes of the current violence may be the decline of Sinaloa Cartel's dominance and the heightened competition to profit from the increasing production and distribution of heroin and synthetic opioids and methamphetamine. Some observers remain convinced of the capacity of both the Sinaloa organization and its primary competitor, the expansive CJNG, using their well-established bribery and corruption networks backed by violence, to retain significant power.

Many U.S. government officials and policymakers have deep concerns about the Mexican government's capacity to reduce violence in Mexico or curb the power of the DTOs. Many analysts have viewed a continued reliance on the kingpin strategy, which they argue has not lowered violence in a sustainable way, as problematic. Some analysts back a new strategy of targeting the middle operational layer of each major criminal group to handicap the groups' regeneration capacity.[143] Other structural factors that plague Mexico's struggle for security and stability include very high criminal impunity and continued high demand for drugs from the United States and Europe.

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

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

Appendix. Drug Trafficking in Mexico and Government Efforts to Combat the DTOs

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 of all manner of narcotics in many countries. As businesses, their goal is to bring 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. Their operations, however, are markedly less violent in the United States than in Mexico, despite their reported significant presence in many U.S. jurisdictions.

The DTOs use bribery and violence as complementary tactics. Violence is used to discipline employees, enforce agreements, 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,[144] Mexican law enforcement, security forces, and public officials tend to either 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 rapidly evolving, and any snapshot (such as the one provided in this report) must be continually adjusted to current realities. 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 in Mexico of 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.[145]

Mexico is a long-time 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 of DTOs. Under this system, arrests and eradication of drug crops took place, but due to the effect of widespread corruption, the system was "characterized by a working relationship between Mexican authorities and drug lords" through the 1990s.[146]

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.[147] The process of democratization

[144] 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.

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

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

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

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 establish 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.

Other transformations of the 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 of cocaine 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 financial stakes, which encouraged the use of violence in Mexico to protect and promote market share. The violent struggles among DTOs is now over strategic routes and warehouses where drugs are consolidated before entering the United States, reflecting these higher stakes.

Former President Calderón (2006-2012) 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 arrests, but few of the 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 and related charges. The number of extraditions grew through 2012 and remained steady during President Peña Nieto's term. A consequence 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.

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, labeled by the military *civilian aggressors*.[148] According to the report, the government data did not explain the 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 ceased to be made public after 2014, according to the account.[149])

Few incidents of suspected police and security force torture are reported in Mexico (less than 10%), according to several estimates, in large part because of a belief that nothing will be done. Impunity for military and police is likely to follow an established pattern of high levels of impunity for most crimes. Judicial and policing weaknesses have allowed about a 95% impunity

[148] 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.

[149] Fisher and McDonnell, "Mexico Sent in the Army to Fight the Drug War."

level for the resolution of crimes on average. For decades, roughly 90% of crimes in Mexico have gone unreported, while of those crimes that are reported only 4%-6% of the total reach conclusion adequately.[150]

President Peña Nieto (2012-2018) pledged a new direction in his security policy to focus more on reducing criminal violence that affects civilians and businesses and less on removing the leaders of the large DTOs. Ultimately, that promise was not met. His attorney general, Jesús Murillo Karam, said in 2012 that Mexico faced challenges from some 60-80 crime groups, a proliferation he attributed to his predecessor Calderón's kingpin strategy.[151] However, despite Peña Nieto's pledge to alter his approach, analysts found considerable continuity between the strategies of Calderón and Peña Nieto.[152] The Peña Nieto government recentralized control over security and continued the strategy of taking down top drug kingpins, adopting Calderón's list of top trafficker targets, updated as needed. Significantly, the resulting fragmentation has continued to splinter Mexico's criminal groups with attendant violence and instability.[153]

Following some reorganization, President Peña Nieto continued cooperation with the United States under the Mérida Initiative begun during President Calderón's term. The Mérida Initiative, a bilateral anticrime assistance program launched in 2008, initially focused on providing Mexico with hardware, such as planes, scanners, and other equipment, to combat the DTOs. The Peña Nieto government continued the Mérida programs. However, the focus on crime prevention, which received significant attention early in his term, ended prematurely due to budget cutbacks.[154]

President Andrés Manuel López Obrador, who took office in 2018, pledged to make Mexico a more just and peaceful society and vowed to govern with austerity. López Obrador made broad promises to fight corruption and reduce violence, build infrastructure in southern Mexico, revive the state oil company, and promote social programs.[155] Given the oil price collapse in early 2020, fiscal constraints, rising violence, and significant health effects and projected severe recession linked to the COVID-19 pandemic, many observers question whether his goals are attainable.[156]

López Obrador launched a new presidential commission to coordinate the investigation of a high-profile, unsolved case from 2014 in which a drug cartel allegedly murdered 43 youth in Guerrero state. In June 2020, arrest warrants were issued for more than 40 municipal officials in Guerrero after years of flawed investigations.[157] President López Obrador has remained popular, although his denial 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

[150] María Novoa, "The Wheels of Justice in Mexico Are Failing. What Can Be Done?," *Americas Quarterly*, July 9, 2020.

[151] Patrick Corcoran, "Mexico Has 80 Drug Cartels: Attorney General," *In Sight Crime*, December 20, 2012.

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

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

[154] 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.

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

[156] Laura Weiss, "Can AMLO End Mexico's Drug War?," *World Politics Review*, May 16, 2019; Arturo Angel, "Mandan Fondo Anticrimen a COVID-19, pese al Aumento de Violencia y Depuración Policial Incompleta," *Animal Político*, April 14, 2020.

[157] "New Arrest Warrants Issued in Case of Mexico's Missing 43," Associated Press, June 30, 2020.

to combat corruption and to curb Mexico's persistent organized-crime-related violence. During his presidential campaign, López Obrador said he would consider unconventional approaches, such as legalization of some drugs. However, several observers maintain that the administration has not issued an effective or comprehensive security policy to combat the DTOs (beyond measures to deter vulnerable youth from crime).[158]

Author Information

June S. Beittel
Analyst in Latin American Affairs

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[158] For more on the President Lopéz Obrador's evolving approach to security, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by Clare Ribando Seelke.