

August 2007

DRUG CONTROL

U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow into the United States





Highlights of [GAO-07-1018](#), a report to congressional requesters

Why GAO Did This Study

The overall goal of the U.S. National Drug Control Strategy, which is prepared by the White House Office of National Drug Control Policy (ONDCP), is to reduce illicit drug use in the United States. One of the strategy's priorities is to disrupt the illicit drug marketplace. To this end, since fiscal year 2000, the United States has provided about \$397 million to support Mexican counternarcotics efforts. According to the Department of State (State), much of the illicit drugs consumed in the United States flows through or is produced in Mexico. GAO examined (1) developments in Mexican drug production and trafficking since calendar year 2000 and (2) U.S. counternarcotics support for Mexico since fiscal year 2000.

What GAO Recommends

GAO recommends that ONDCP, in conjunction with the U.S. counternarcotics interagency community, coordinate with the government of Mexico before completing the Southwest Border Counternarcotics Strategy's implementation plan to (1) help ensure Mexico's cooperation with any initiatives that require it and (2) address the cooperation issues GAO identified. In commenting on a draft of this report, ONDCP concurred with the recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-07-1018.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov.

DRUG CONTROL

U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow into the United States

What GAO Found

According to the U.S. interagency counternarcotics community, hundreds of tons of illicit drugs flow from Mexico into the United States each year, and seizures in Mexico and along the U.S. border have been relatively small. The following illustrates some trends since 2000:

- The estimated amount of cocaine arriving in Mexico for transshipment to the United States averaged about 275 metric tons per year. Reported seizures averaged about 36 metric tons a year.
- The estimated amount of export quality heroin and marijuana produced in Mexico averaged almost 19 metric tons and 9,400 metric tons per year, respectively. Reported heroin seizures averaged less than 1 metric ton and reported marijuana seizures averaged about 2,900 metric tons a year.
- Although an estimate of the amount of methamphetamine manufactured in Mexico has not been prepared, reported seizures along the U.S. border rose from about 500 kilograms in 2000 to highs of almost 2,900 kilograms in 2005 and about 2,700 kilograms in 2006. According to U.S. officials, this more than fivefold increase indicated a dramatic rise in supply.

In addition, corruption persists within the Mexican government and challenges Mexico's efforts to curb drug production and trafficking. Moreover, Mexican drug trafficking organizations operate with relative impunity along the U.S. border and in other parts of Mexico, and have expanded their illicit business to almost every region of the United States.

U.S. assistance has helped Mexico strengthen its capacity to combat illicit drug production and trafficking. Among other things, extraditions of criminals to the United States have increased; thousands of Mexican law enforcement personnel have been trained; and controls over chemicals to produce methamphetamine were strengthened. Nevertheless, cooperation with Mexico can be improved. The two countries do not have an agreement permitting U.S. law enforcement officers to board Mexican-flagged vessels suspected of transporting illicit drugs on the high seas; an aerial monitoring program along the U.S. border was suspended because certain personnel status issues could not be agreed on; State-provided Vietnam-era helicopters have proved expensive and difficult to maintain and many are not available for operations; and a State-supported border surveillance program was cut short due to limited funding and changed priorities.

In 2006, in response to a congressional mandate, ONDCP and other agencies involved in U.S. counternarcotics efforts developed a strategy to help reduce the illicit drugs entering the United States from Mexico. An implementation plan was prepared but, according to ONDCP, is being revised to address certain initiatives recently undertaken by Mexico. Based on our review of the plan, some proposals require the cooperation of Mexico, but according to ONDCP, they have not been addressed with Mexican authorities.

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Abbreviations

AFI	Federal Investigative Agency
CBP	Customs and Border Protection
CENAPI	National Center for Analysis, Planning, and Intelligence
COFEPRIS	Federal Commission for the Protection against Sanitary Risk
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DTO	drug trafficking organization
IACM	Interagency Assessment of Cocaine Movement
ICE	Immigration and Customs Enforcement
OFAC	Office of Foreign Assets Control
IMET	International Military Education Training
INSCR	International Narcotics Control Strategy Report
MPP	Mission Performance Plan
NAS	Narcotics Affairs Section
ONDCP	Office of National Drug Control Policy
SEDENA	Defense Secretariat
SIU	Sensitive Investigative Unit
State/INL	Department of State Bureau for International Narcotics and Law Enforcement Affairs
THC	delta-9-tetrahydrocannabinol
USAID	U.S. Agency for International Development

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United States Government Accountability Office
Washington, DC 20548

August 17, 2007

The Honorable Charles E. Grassley
Co-Chairman
Caucus on International Narcotics Control
United States Senate

The Honorable Mark E. Souder
House of Representatives

The overall goal of the U.S. National Drug Control Strategy, which is prepared by the White House Office of National Drug Control Policy (ONDCP), is to reduce illicit drug use in the United States. One of the strategy's three elements or priorities for achieving this goal is to disrupt the illicit drug market to create inefficiencies in drug production and distribution.¹ To this end, in fiscal years 2000-2006, the United States provided more than \$7 billion to countries in Latin America,² including Mexico, for counternarcotics and related efforts. According to the Department of State (State), Mexico is the principal foreign source of marijuana and methamphetamine, as well as a major supplier of heroin consumed in the United States. Additionally, the bulk of cocaine destined for the U.S. market comes through Mexico. (See app. I for descriptions of these illicit drugs.) U.S. counternarcotics policy in Mexico has sought to support and strengthen the institutional capability of the government of Mexico to take measures against the production and trafficking of illicit drugs. Since at least 2000, the U.S. Embassy to Mexico has incorporated several strategies in its Mission Performance Plan (MPP) to assist Mexico in its counternarcotics efforts.

State's Bureau for International Narcotics and Law Enforcement Affairs (State/INL) through the embassy's Narcotics Affairs Section (NAS) supports U.S. counternarcotics initiatives in Mexico and funds several programs and activities, primarily with Mexico's Attorney General's Office. The Department of Justice's (Justice) Criminal Division and Drug

¹The other two are: (1) stopping drug use before it starts and (2) healing America's drug users.

²Approximately \$5 billion of these funds went to Colombia and the rest to other countries in the region.

Enforcement Administration (DEA), the U.S. Agency for International Development (USAID), and the Department of Defense (Defense) also provide support for U.S. counternarcotics objectives in Mexico. In addition, the Department of Homeland Security (DHS)—including Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and the U.S. Coast Guard—and the Department of Treasury’s (Treasury) Office of Foreign Assets Control (OFAC) are involved in combating various aspects of drug trafficking and related crimes in Mexico. Moreover, in 2006, ONDCP and the U.S. interagency counternarcotics community³ developed a Southwest Border Counternarcotics Strategy for stemming the flow of illicit drugs to the United States. In response to recent counternarcotics initiatives from the government of Mexico, the interagency community is revising the strategy’s implementation plan, which is expected to be completed in the late summer or fall of 2007.

You asked that we examine (1) developments in the illicit drug threat posed by Mexican drug production and trafficking to the United States since calendar year 2000 and (2) U.S. agencies’ programs to support Mexican counternarcotics efforts since fiscal year 2000, and reported accomplishments. To address these objectives, we reviewed and analyzed congressional budget presentations, program and project status reports, and related information and, to obtain a better understanding of the scope and progress of each agency’s program, met with cognizant officials from Defense, DHS, Justice, State, Treasury, USAID, and ONDCP. In addition, we traveled to Mexico to meet with U.S. embassy officials responsible for implementing U.S. programs and activities in Mexico and cognizant government of Mexico officials at the federal, state, and local levels. We determined that the program and project information provided to us were sufficiently reliable for the purposes of this report. We also reviewed

³The U.S. interagency counternarcotics community includes the Central Intelligence Agency’s Crime and Narcotics Center; the Defense Intelligence Agency’s Counternarcotics Trafficking Office, Defense’s Joint Staff, and the Deputy Assistant Secretary of Defense for Counternarcotics; DHS’ ICE, CBP, U.S. Coast Guard, Office of Intelligence and Analysis, Office of Counternarcotics and Enforcement, and the U.S. Interdiction Coordinator; Justice’s DEA, Federal Bureau of Investigation, Narcotic and Dangerous Drug Section, National Drug Intelligence Center, and the Organized Crime and Drug Enforcement Task Force; the National Security Agency; ONDCP; State/INL; and Treasury’s Internal Revenue Service and OFAC.

various estimates of illicit drug production and seizures and disruptions⁴ in the transit zone⁵ from DHS, Justice, State, and ONDCP. In prior work, we reported on shortcomings in U.S. government agencies' data on production and seizure of illicit drugs, such as the inherent difficulty in obtaining reliable data on an illegal activity.⁶ Notwithstanding such limitations, on the basis of conversations with cognizant U.S. and Mexican officials, we determined that the data provided to us by various U.S. agencies on production and seizures in Mexico were sufficiently reliable to provide an overall indication of the magnitude and nature of the illicit drug trade since 2000. See appendix II for a more complete discussion of our scope and methodology. We conducted our work from May 2006 through July 2007 in accordance with generally accepted government auditing standards.

Results in Brief

According to the U.S. interagency counternarcotics community, hundreds of tons of cocaine, heroin, marijuana, and methamphetamine flow into the United States from Mexico each year, and seizures in Mexico and along the U.S.-Mexico border have been relatively small.

- The interagency counternarcotics community estimated that about two-thirds of the cocaine that departed South America towards the United States through the transit zone was destined for transshipment through Mexico in 2000; this estimate rose to 90 percent in 2004 and 2005. Accounting for seizures along the way, an estimated 220 metric tons of cocaine arrived in Mexico in 2000, and between 260 and 460 metric tons arrived in 2005. The estimated amount of cocaine arriving in Mexico for transshipment to the United States averaged about 275 metric tons per year.⁷ Reported seizures in Mexico and along the U.S.-Mexico border

⁴Seizures are defined as taking physical possession of the illicit drug. Disruptions are defined as forcing individuals suspected of transporting the drugs to jettison or abandon their cargo. For purposes of this report, we refer to both events as seizures.

⁵The transit zone encompasses Central America, Mexico, the Caribbean Sea, the Gulf of Mexico, and the eastern Pacific Ocean.

⁶See GAO, *Drug Control: Agencies Need to Plan for Likely Declines in Drug Interdiction Assets, and Develop Better Performance Measures for Transit Zone Operations*, [GAO-06-200](#) (Washington, D.C.: Nov. 15, 2005); and *Drug Control: Long-Standing Problems Hinder U.S. International Efforts*, [GAO/NSIAD-97-75](#) (Washington, D.C.: Feb. 27, 1997).

⁷In response to certain methodological issues, the interagency counternarcotics community reported low and high ranges of cocaine flowing through the transit zone for 2004 and 2005. To calculate the average for the period 2000-2005, we used the mid points of the IACM ranges for 2004 and 2005.

averaged about 36 metric tons a year—with a low of 28 metric tons in 2003 to a high of 44 metric tons in 2005.

- The estimated amount of export quality heroin produced in Mexico ranged from a low of 9 metric tons in 2000 to a high of 30 metric tons in 2003—averaging almost 19 metric tons a year. Reported seizures in Mexico and along the U.S.-Mexico border averaged less than 1 metric ton a year, or less than 5 percent of the export quality heroin produced in Mexico since 2000.
- The estimated amount of marijuana produced in Mexico ranged from a low of 7,000 metric tons in 2000 to a high of 13,500 metric tons in 2003—averaging about 9,400 metric tons a year. Reported seizures averaged less than 2,900 metric tons, or about 30 percent a year.
- Reported seizures of methamphetamine produced in Mexico and along the U.S.-Mexico border rose from a low of 500 kilograms in 2000 to highs of almost 2,900 kilograms in 2005 and about 2,700 kilograms in 2006. Although the U.S. interagency counternarcotics community has not estimated the amount of methamphetamine manufactured in Mexico, they noted that the more than five-fold increase in seizures indicated a dramatic rise in supply.

In addition, although Mexico has undertaken various initiatives to deal with corruption, including reorganizing its federal police and conducting aggressive investigations, corruption persists within the Mexican government and challenges Mexico's efforts to fight organized crime and curb drug trafficking. Mexican drug trafficking organizations (DTOs) operate with relative impunity in certain regions of Mexico, including areas along the U.S.-Mexico border. Mexican DTOs have also expanded their illicit drug business to almost every region of the United States. According to cognizant U.S. and Mexican government officials, Mexican DTOs have become increasingly sophisticated and violent in their activities.

Although the U.S. goal of stemming the flow and production of illicit drugs destined for the United States has not been accomplished, U.S. counternarcotics assistance to Mexico has resulted in some progress since 2000. For example,

- U.S.-Mexico collaboration on extraditions of drug traffickers gradually improved over the period. In 2006, Mexico extradited a record number of criminals to the United States, and, as of July 2007, has extradited 55 traffickers, including several major ones.

-
- Bilateral cooperation to counter money laundering efforts has also advanced, although, according to U.S. officials, Mexico lacks a legal framework to allow aggressive seizure of drug traffickers' assets.
 - With U.S. technical support, Mexican states are implementing more transparent and open criminal trial systems to strengthen the rule of law, and Mexico has strengthened controls over imports and marketing of chemicals used in the production of methamphetamine.
 - U.S. infrastructure support and training are strengthening the capacity of Mexican law enforcement entities to interdict illicit drugs.

While U.S.-supported programs have strengthened some Mexican counternarcotics efforts, cooperation and coordination between U.S. and Mexican counterparts can be improved. For example, the two countries do not have an agreement permitting U.S. law enforcement officers to board Mexican-flagged vessels suspected of transporting illicit drugs on the high seas without specific government of Mexico permission; an aerial monitoring program along the U.S. border was suspended because certain personnel status issues could not be agreed on; State-provided Vietnam-era helicopters for transporting Mexican law enforcement officers have proven expensive and difficult to maintain, and, as a result, many are not available for interdiction; and another State-supported helicopter program for border surveillance was cut short, with only 12 out of 28 planned aircraft delivered, because of funding limitations and changed priorities.

Newly inaugurated Mexican President Felipe Calderón⁸ has indicated that combating the illicit drug threat is a priority in his administration. Although ONDCP and the interagency counternarcotics community developed a Southwest Border Counternarcotics Strategy in 2006, they have not completed an accompanying implementation plan. On the basis of our review of these documents, a number of initiatives require the cooperation of the government of Mexico, but ONDCP told us that the strategy and plan have not yet been addressed with Mexican authorities. Therefore, we recommend that the Director of ONDCP, as the lead agency for U.S. drug policy, and the cognizant departments and agencies in the U.S. counternarcotics interagency community coordinate with the appropriate Mexican officials before completing the strategy's implementation plan to (1) help ensure Mexico's cooperation with the

⁸Felipe Calderón was elected President of Mexico in July 2006 and inaugurated in December 2006.

efforts that require it and (2) address the cooperation issues we identified. In commenting on a draft of this report, ONDCP concurred with the recommendation.

Background

Since the 1970s, the United States has collaborated with Mexican authorities and provided assistance to Mexico for counternarcotics programs and activities. The goal over the years has been to disrupt the market for illegal drugs, making it more difficult for traffickers to produce and transport illicit drugs to the United States. For Mexico, the U.S. embassy's MPP—which embassy officials described as their roadmap for providing assistance—has a goal of combating transnational crimes, including drug trafficking. Specifically, the United States has provided Mexico assistance for a range of projects, including interdicting cocaine shipments from South America; stemming the production and trafficking of opium poppy⁹ and marijuana; and, more recently, controlling precursor chemicals used to manufacture methamphetamine.

However, from 1990 to 1996, Mexico's sensitivity over its national sovereignty presented a challenge for coordination of counternarcotics activities. In 1993, we reported that this sensitivity was one of several interrelated factors that resulted in delays and implementation problems faced by U.S. counternarcotics assistance programs.¹⁰ As we reported in 1998, at the time, the government of Mexico elected to combat drug trafficking with reduced assistance from the United States.¹¹

Cooperation with Mexico started to improve in the mid-1990s, and, in 1998, the two countries agreed to the *Bi-National Drug Control Strategy*.¹² Since then, the two countries have continued to cooperate through meetings of the U.S.-Mexico Senior Law Enforcement Plenary. The plenary, which is co-chaired by a Justice Criminal Division Deputy Assistant Attorney General and the Mexican Deputy Attorney General, is comprised of senior officials from both governments responsible for drug

⁹Opium poppy is the raw ingredient for heroin.

¹⁰GAO, *Drug Control: Revised Drug Interdiction Approach Is Needed in Mexico*, [GAO/NSIAD-93-152](#) (Washington, D.C.: May 10, 1993).

¹¹GAO, *Drug Control: U.S.-Mexican Counternarcotics Efforts Face Difficult Challenges*, [GAO/NSIAD-98-154](#) (Washington, D.C.: June 30, 1998).

¹²*U.S./Mexico Bi-National Drug Control Strategy* (February 1998).

control. The plenary meets two or three times each year and oversees approximately ten operational working groups that focus directly or indirectly on drug control. Results of the meetings include the establishment of a bilateral interdiction working group and a bilateral precursor chemical working group. The bilateral interdiction working group, formed in April 2000, established bilateral air-to-air and ship-to-ship communication plans to better respond to suspicious air and maritime threats. According to Justice, the bilateral chemical working group, formed in 2003, facilitated Mexico's efforts to reduce the importation of precursor chemicals used to make methamphetamine. In addition, Justice's Criminal Division (Asset Forfeiture and Money Laundering Section), as part of its work in the plenary, has drafted suggested reforms for Mexican money laundering and asset forfeiture statutory schemes, and has offered to consult with the government of Mexico on these drug control tools.

After assuming power in December 2006, President Calderón made the war on drugs a centerpiece of his administration and vowed to deny drug traffickers control of any part of Mexico's national territory. In early 2007, he deployed about 27,000 military and police officers for counternarcotics operations in eight Mexican states, from Guerrero on the Southern Pacific coast to Baja California on the northern border with the United States. Their mission, in general, was to eradicate drug crops, intercept drug shipments, and apprehend wanted criminals. Calderón has also persuaded the Mexican Congress to agree to a 24 percent increase in the security budget for 2007. According to U.S. officials, these actions and other Calderón initiatives, such as the recent extradition of several major drug traffickers (referred to as kingpins) to the United States, demonstrate a new level of commitment to combating drug trafficking, which they predict will lead to further bilateral cooperation on counternarcotics efforts.

U.S. Counternarcotics Assistance to Mexico

Table 1 depicts assistance provided by U.S. agencies to support counternarcotics related programs and activities in Mexico during fiscal years 2000 through 2006. Other U.S. agencies were also involved in counternarcotics activities in Mexico during this period but did not provide funding to Mexican entities.

Table 1: U.S. Agencies' Support for Mexican Counternarcotics Activities, Fiscal Years 2000-2006

Dollars in millions	
State (INL)	
Port and border security	\$72.7
Law enforcement infrastructure	28.4
Interdiction and eradication	23.3
Aviation	22.2
Training	14.8
Other	7.5
Subtotal	\$168.9
Justice (DEA)	
Mexico field offices	123.9
Intelligence and enforcement groups	8.9
Special support and administrative support units	7.2
Subtotal	\$140.0
Defense	
Counternarcotics support programs (sec. 1004) ^a	51.2
International Military Education Training (IMET) and other ^b	6.6
Subtotal	\$57.8
USAID	
Rule-of-law	15.6
Anti-corruption	13.0
Financial transparency	1.3
Subtotal	\$29.9
Total for all agencies	\$396.6

Source: GAO analysis of Defense, Justice, State, and USAID data.

^aDefense does not track obligations by country; thus these figures reflect estimated expenditures in Mexico during fiscal years 2000-2006.

^bIMET is funded through State's foreign operations appropriation but provided by Defense. Since 2002, Defense also funded training through the Counter Terrorism Fellowship program.

From 2000 through 2006, State/INL obligated nearly \$169 million to support Mexican law enforcement efforts, principally for counternarcotics related programs and activities.¹³ These funds supported the purchase of a

¹³Some State/INL funding, notably for port and border security, supports U.S. goals in several law enforcement related areas, such as deterring terrorist threats or preventing alien smuggling, as well as combating drug trafficking.

wide range of items and activities including scanning machinery for security purposes at ports and border crossings; vehicles, computers, software, and other equipment used to improve Mexico's law enforcement infrastructure; interdiction and eradication initiatives; aircraft and related equipment and maintenance; training for Mexican law enforcement and judicial officials; and other programs designed to promote U.S. counternarcotics goals.

DEA, Defense, and USAID obligated or expended an additional \$228 million for counternarcotics activities that directly or indirectly benefited Mexico from 2000 through 2006. DEA's funding primarily supported field offices throughout Mexico,¹⁴ from which DEA agents¹⁵ coordinated bilateral cooperation with Mexican federal, state, and local law enforcement officials, allowing both countries to collect drug intelligence, conduct investigations, prosecute drug traffickers, and seize assets. Defense supported programs designed to detect, track, and interdict aircraft and maritime vessels suspected of transporting illicit drugs—primarily cocaine from South America. Lastly, USAID's funding for Mexico promoted reform of Mexico's judicial system at the state level, as well as government transparency, which broadly supports U.S. counternarcotics objectives.

Illicit Drug Production and Trafficking by Mexican Drug Organizations Has Continued Virtually Unabated

Since 2000, illicit drugs produced in and transiting through Mexico have continued to reach the United States in large quantities. Corruption persists within the Mexican government and challenges Mexico's efforts to curb drug trafficking. During this period, Mexican DTOs expanded their illicit activities throughout Mexico and expanded their reach to almost every region of the United States. DTOs have also developed increasingly sophisticated drug trafficking methods and have become more violent.

¹⁴DEA proposed the creation of several new offices along the U.S.-Mexico border, including Matamoros, Nuevo Laredo, and Nogales. This proposal is being closely coordinated with the government of Mexico.

¹⁵In cooperation with Justice's Criminal Division.

Tons of Illicit Drugs Reach the United States through Mexico

Mexico is the conduit for most of the cocaine reaching the United States, the source for much of the heroin consumed in the United States, and the largest foreign supplier of marijuana and methamphetamine to the U.S. market. As shown in table 2, based on U.S. and Mexican estimates, which vary from year-to-year, more cocaine flowed towards the United States through Mexico, and more heroin, marijuana, and methamphetamine were produced in Mexico during 2005 than in 2000. In addition, although reported seizures of these drugs within Mexico and along the U.S. southwest border generally increased, according to the U.S. interagency counternarcotics community and related reports, seizures have been a relatively small percentage of the estimated supply.

Economic Cost of Drug Abuse Is Escalating

With more drugs reaching the United States, the economic cost of drug abuse is escalating. According to the U.S. Interdiction Coordinator, the abuse of cocaine, heroin, marijuana, and synthetic drugs afflict over 35 million Americans, resulting in over 20,000 deaths in the United States in recent years. The total economic cost of drug abuse in the United States—defined by ONDCP as negative health and crime consequences, as well as loss of potential productivity from disability, death, and withdrawal from the legitimate workforce—was estimated to be approximately \$180.9 billion in 2002 (the most recent year this data was reported). Since then, health and crime consequences have continued to worsen. For example, according to Justice, the number of methamphetamine-related treatment admissions doubled from 2002 to 2004—now at 130,000 admissions—while drug-related homicides reached an all time high in 2003 at 680.

We note that because of acknowledged shortcomings in the illicit drug production and seizure data collected and reported by various U.S. government agencies, the data cannot be considered precise¹⁶ but, on the basis of our review, can be used to provide an overall indication of the magnitude of the illicit drug trade since 2000. Table 2 presents the available data, since 2000, on the amount of cocaine arriving in Mexico for transshipment to the United States; the amounts of heroin and marijuana produced in Mexico; and reported seizures of these illicit drugs and methamphetamine in Mexico and along the U.S.-Mexico border.

¹⁶GAO-06-200.

Table 2: Estimated Amounts of Illicit Drugs Transiting Mexico, Produced in Mexico, and Seized in Mexico and along the U.S.-Mexico Border, Calendar Years 2000-2006

Illicit drugs	Calendar year						
	2000	2001	2002	2003	2004	2005	2006
Cocaine (metric tons)							
Arriving in Mexico for transshipment to the United States ^a	220	270	270	210	220 to 440 ^b	260 to 460 ^b	N/A
Seized in Mexico	20	10	8	12	19	21	10
U.S. border seizures ^c	23	20	23	16	22	23	27
Heroin (metric tons)							
Produced ^d	9	21	13	30	23	17	N/A
Seized in Mexico	.27	.27	.28	.31	.30	.46	.40
U.S. border seizures ^c	.07	.35	.30	.35	.29	.32	.47
Marijuana (metric tons)							
Produced	7,000	7,400	7,900	13,500	10,400	10,100	N/A
Seized in Mexico	1,619	1,839	1,633	2,248	2,208	1,786	1,849
U.S. border seizures ^c	533	1,083	1,072	1,221	1,173	974	1,015
Methamphetamine (kilograms)							
Seized in Mexico	560	400	460	750	950	980	600
U.S. border seizures ^c	500	1,150	1,320	1,750	2,210	2,870	2,710

Sources: The *Interagency Assessment of Cocaine Movement*; the *International Narcotics Control Strategy Report*, National Drug Intelligence Center, the Central Intelligence Agency's Crime and Narcotics Center, ONDCP, and the El Paso Intelligence Center.

^aThe *Interagency Assessment of Cocaine Movement* (IACM) estimates the metric tons of cocaine departing South America and flowing through the transit zone towards the United States. It also estimates what percentage of this amount is flowing towards Mexico for transshipment to the United States and reports seizures of cocaine in the transit zone. To estimate the amount of cocaine available in Mexico for transshipment to the United States, we multiplied the IACM's total estimate of cocaine flowing towards the United States by the IACM's estimated percentage of what was flowing towards Mexico (which ranged from 66 percent in 2000 to 90 percent in 2004 and 2005). We then subtracted the IACM's reported cocaine seizures and disruptions in the eastern Pacific Ocean, western Caribbean Sea, and Central America for each year to estimate how much cocaine was available to transit Mexico. Because of the uncertain nature of the estimates involved, we rounded the figures we derived to the nearest "ten."

^bFor 2000 through 2003, the IACM reported "point" estimates of the cocaine flow. For 2004 and 2005, the IACM began reporting low and high estimates of the metric tons of cocaine flowing through the transit zone due to certain methodological concerns over providing point estimates.

^cDEA's El Paso Intelligence Center (and the IACM) defines drug seizures at the U.S. southwest border to include seizures at the U.S.-Mexico border or within 150 miles on the U.S. side of the border, including 88 border counties in Arizona, California, New Mexico, and Texas.

^dThis estimate does not include heroin that is produced in Colombia and may transit Mexico on the way to the United States.

Cocaine: Virtually all the cocaine consumed in the United States is produced along the South American Andean ridge—primarily, in Colombia. The U.S. interagency counternarcotics community prepares an annual assessment (the *Interagency Assessment of Cocaine Movement* (IACM)) that, among other things, estimates the amount of cocaine departing South America towards the United States. In 2000, the IACM reported that an estimated 66 percent of the cocaine that departed South America towards the United States was flowing to Mexico for transshipment. By 2003, this estimate had risen to 77 percent, and in 2004 and 2005, the IACM reported that as much as 90 percent of the cocaine departing South America towards the United States was destined for transshipment through Mexico. As shown in table 2,

- Between 2000 and 2002, the cocaine estimated arriving in Mexico rose about 23 percent—from 220 to 270 metric tons. In 2003, the estimated flow to Mexico declined 60 metric tons, or about 22 percent.
- For 2004 and 2005, the IACM did not provide “point” estimates for cocaine flow because of certain methodological concerns; rather, a range was provided for each year. Using the mid point of the IACM ranges for 2004 and 2005, the amount of cocaine estimated arriving in Mexico during 2000-2005 averaged about 275 metric tons per year.
- Using the IACM range for 2005, between 260 and 460 metrics tons of cocaine arrived in Mexico. The mid point of the IACM range (360 metric tons) was about 140 metric tons more than the estimate for 2000.
- Despite the apparent increases in cocaine arriving in Mexico, the amount of cocaine reported seized in Mexico and along the U.S.-Mexico border for 2000-2005 did not increase proportionately with 43 metric tons reported in 2000, a low of 28 metric tons in 2003, and a high of 44 metric tons in 2005. Reported seizures for 2000-2005 averaged about 36 metric tons a year, or about 13 percent of the estimated amount of cocaine arriving in Mexico.¹⁷

Heroin: During 2000-2005, the estimated amount of heroin produced for export in Mexico averaged almost 19 metric tons a year—ranging from a low of 9 metric tons in 2000 to a high of 30 metric tons in 2003. Although the estimated amount of heroin produced declined in 2004 and 2005, the 2005 estimate (17 metric tons) was nearly double the estimated amount

¹⁷The 13 percent figure is based on using the mid point of the IACM ranges for 2004 and 2005.

Mexico Has Transitioned to a Major Consumer of Illicit Drugs

According to a 2005 U.S. embassy study, Mexico has transitioned from being a drug-producing and transit country to a major consumer of illicit drugs. Official surveys indicate that until 10 years ago cocaine and other hard drug use in Mexico was low except in pockets along the border with the United States. However, Mexico is now one of the world's largest markets for cocaine—still behind the United States, but on par with European countries, such as Great Britain. Mexican treatment officials have also documented the expansion of heroin and methamphetamine consumption at an alarming pace. Consequently, Mexicans' perception of drug abuse as a threat has grown, and government authorities have drawn attention to the adverse effects of the drug trade on public health, security, and economic development.

produced in 2000 (9 metric tons). Reported heroin seizures in Mexico and along the U.S.-Mexico border averaged less than 1 metric ton or less 5 percent a year of the estimated export quality heroin produced in Mexico since 2000. (See table 2.)

Marijuana: During 2000-2005, the estimated amount of marijuana produced in Mexico each year averaged about 9,400 metric tons—ranging from a low of 7,000 metric tons in 2000 to a high of 13,500 metric tons in 2003. Although estimated production declined to 10,100 metric tons 2005, this was over 3,000 metric tons more than the estimated production in 2000. Reported seizures of marijuana in Mexico and along the U.S.-Mexico border ranged from about 2,150 metric tons in 2000 to nearly 3,500 in 2003—averaging less than 2,900 metric tons a year, or about 30 percent of the annual production estimates. (See table 2.)

Methamphetamine: Neither the United States nor the government of Mexico prepare estimates of the amount of methamphetamine produced in Mexico. However, DEA, CBP, and other officials in the U.S. interagency counternarcotics community told us that the large increases in reported methamphetamine seizures from 2000 through 2006 point to significantly greater amounts being manufactured. On the basis of the reported data, seizures along the U.S.-Mexico border rose more than 5 times—from an estimated 500 kilograms in 2000 to almost 2,900 metric tons in 2004 and over 2,700 kilograms in 2006. (See table 2.)

Corruption Persists

In 2001, State reported that pervasive corruption within the government of Mexico was the greatest challenge facing Mexico's efforts to curb drug trafficking. Since then State has reported on government of Mexico efforts to target and deter corruption. Nevertheless, increasing illicit drug proceeds from the United States—estimated by the National Drug Intelligence Center at between \$8 billion and \$23 billion in 2005¹⁸ has afforded Mexican DTOs considerable resources to subvert government institutions, particularly at the state and local level. U.S. and Mexican

¹⁸According to the National Drug Intelligence Center, drug proceeds in Mexico in 2005 ranged from \$2.9 billion to \$6.2 billion for cocaine (including Central America), \$324 million to \$736 million for heroin, \$3.9 billion to \$14.3 billion for marijuana, and \$794 million to \$1.9 billion for methamphetamine. Mexican drug traffickers also grow marijuana in the United States; therefore, the amount of proceeds returned to Mexico is likely greater than the reported estimates.

government officials and various other observers, including academics, investigative journalists, and nongovernmental organizations that study drug trafficking trends in Mexico, told us that profits of such magnitude enable drug traffickers to bribe law enforcement and judicial officials.

Since 2000, Mexico has undertaken several initiatives to address corruption. In 2001, when Mexican authorities created the Federal Investigative Agency (AFI)¹⁹ in the Mexican Attorney General's Office, they disbanded the Federal Judicial Police, which was widely considered corrupt. In 2003, Mexico passed a civil service restructuring law for the Attorney General's Office that outlined standards of conduct and procedures for dismissal and provided for better pay and benefits. Mexico also conducted aggressive investigations into public corruption, resulting in the arrest and prosecution of officials, as well as the dismissal and suspension of others. According to the *International Narcotics Control Strategy Report* (INCSR),²⁰ in 2002, Mexico arrested 25 mid level officials from the Attorney General's Office and other agencies and, in 2006, reported that it had dismissed 945 federal employees and suspended an additional 953.

Despite these actions, corruption remains a major factor adversely affecting efforts to fight organized crime and combat drug trafficking. U.S. and some Mexican law enforcement agents also told us that in certain parts of the country, they do not have vetted counterparts to work with. Moreover, AFI represents only about one-third of Mexico's estimated 24,000 federal law enforcement officials. According to U.S. officials, the majority—about 17,000—belong to the Federal Preventive Police,²¹ whose personnel are not subject to the same requirements as AFI for professional selection, polygraph and drug testing, and training.

Partly to address the problem of corruption, the Calderón government recently began to consolidate various federal civilian law enforcement entities into one agency and triple the number of trained, professional federal law enforcement officers subject to drug, polygraph, and other

¹⁹AFI is the Spanish acronym for Agencia Federal de Investigación.

²⁰INCSR is a congressionally mandated report (22 U.S.C. sec. 2291h(a)). It requires that State report annually on the efforts of source and transit countries to attack all aspects of the international drug trade.

²¹The Federal Preventive Police was the result of a reorganization to reduce, prevent, and combat crime in 1999.

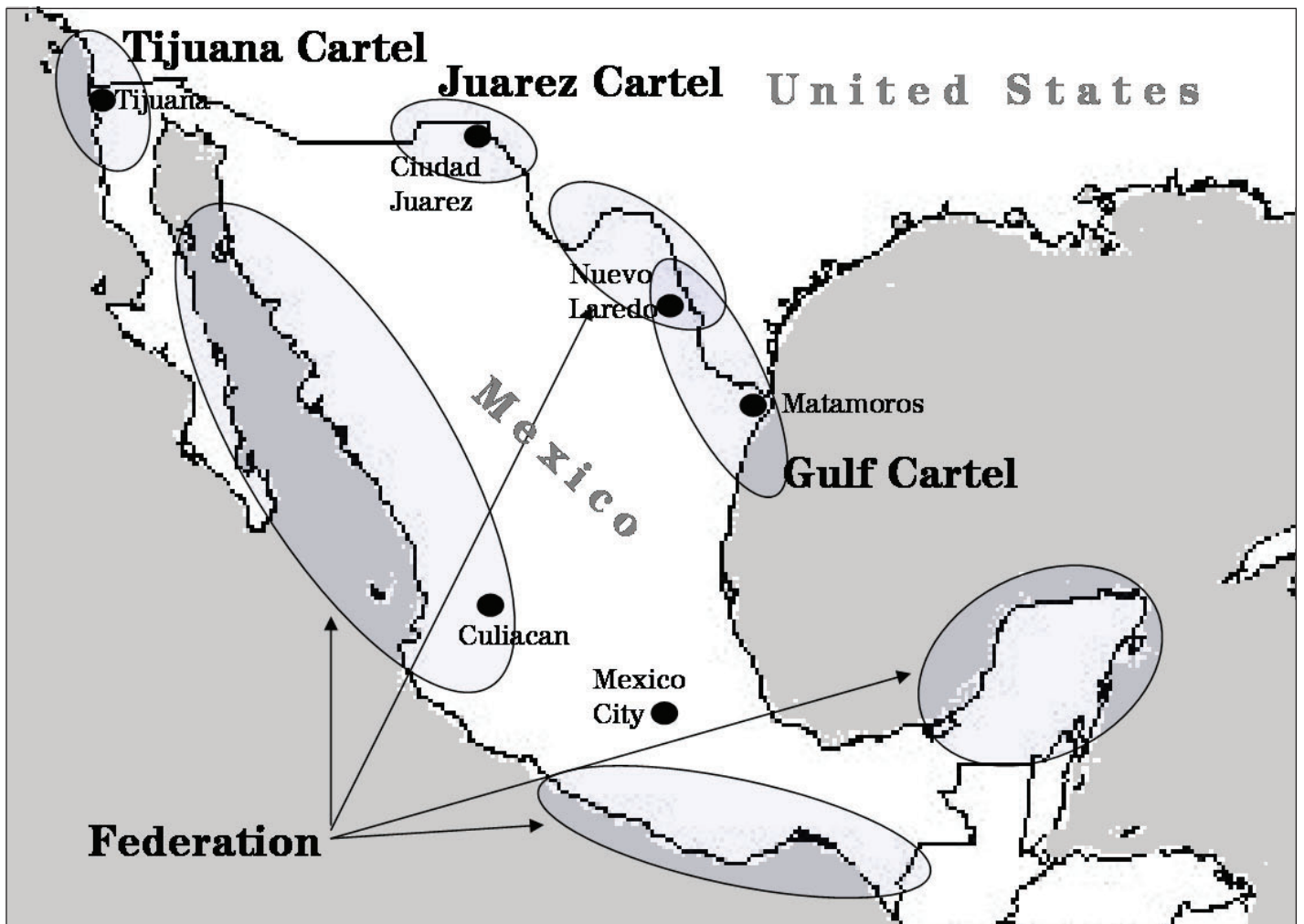
testing. This initiative will combine AFI and the Federal Preventive Police, along with law enforcement officers belonging to other entities, into one agency, known as the Federal Police Corps, which would operate in cities and towns of more than 15,000 people.²² However, this initiative will not affect the vast majority of Mexico's law enforcement officials, most of whom are state and local employees and, according to one source, number approximately 425,000.

DTOs Operate throughout Mexico

According to DEA, four main DTOs control the illicit drug production and trafficking in Mexico and operate with relative impunity in certain parts of the country. These organizations are the so-called Federation, which operates throughout Mexico and along the U.S. border, and the Tijuana, Juarez, and Gulf cartels, which operate primarily along the U.S.-Mexico border. Figure 1 illustrates the presumed areas of influence for the predominant Mexican drug cartels.

²²The plan would also create two other police forces: one consisting principally of former military police, whose role would be one of policing rural communities with less than 15,000 people, and a Coast Guard.

Figure 1: Areas of Influence of the Principal Mexican DTOs



Source: DEA.

According to DEA and other U.S. officials, Mexican DTOs exert influence over large areas of Mexico where much of the opium poppy and marijuana is cultivated—along much of the southern Pacific coast and north to Baja California—and fight for influence and control over areas along the U.S.-Mexico border to help expedite smuggling of illicit drugs into the United States.

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- The Federation is an alliance of drug traffickers operating out of the Mexican state of Sinaloa near the city of Culiacán. U.S. and Mexican officials told us that it may have the most extensive geographic reach in Mexico among DTOs. According to these officials, the Federation's influence in Sinaloa is so pervasive that Mexico seldom mounts counternarcotics operations in the interior of that state.
 - The Tijuana Cartel, also known as the Arellano Felix Organization after its founder, operates from the border city of Tijuana in the Mexican state of Baja California. Its activities center in the northwestern part of Mexico. According to local investigative journalists and U.S. officials, this criminal organization exerts considerable influence over local law enforcement and municipal officials. The extent of corruption in Tijuana became evident in January 2007, when Mexican federal authorities forced local police to hand in their weapons in an effort to crack down on local corruption and drug related violence.
 - The Juarez Cartel is based in Ciudad Juarez, in the border state of Chihuahua. According to DEA officials, the Juarez Cartel has extensive ties to state and local law enforcement officials. Over the years, it has been implicated in a series of violent crimes linked to corruption. Up until recently, the Juarez Cartel was considered part of the Federation, but a series of murders led by a member of the Federation caused a division between the two cartels.
 - The Gulf Cartel operates out of Matamoros on the Gulf of Mexico, in the border state of Tamaulipas. According to DEA officials, the Gulf Cartel has infiltrated the law enforcement community throughout Tamaulipas, including the border city of Nuevo Laredo.²³ The Gulf Cartel has also employed a criminal gang referred to as the Zetas, which is primarily composed of rogue former Mexican military commandos. The Zetas are known for their violent methods and intimidation and are thought to be working closely with corrupt law enforcement officials. In June 2005, in a possible demonstration of the cartel's influence over local law enforcement authorities, Mexican Army patrols sent to stem drug related violence in Nuevo Laredo were openly attacked by local police units.

²³Laredo, Texas, on the U.S. side of the border from Nuevo Laredo handles approximately 40 percent of all Mexican exports to the United States. Extensive legitimate commercial shipments offer many opportunities for smuggling illicit drugs.

DTOs Have Expanded Operations in the United States

According to ONDCP and other officials in the interagency counternarcotics community, the 2,000-mile U.S.-Mexico land border presents numerous challenges to preventing illicit drugs from reaching the United States. With 43 legitimate crossing points, the rest of the border consists of hundreds of miles of open desert, rugged mountains, the Rio Grande River, and other physical impediments to surveillance. The result, according to these same officials, is the flow of hundreds of tons of cocaine, heroin, marijuana, and methamphetamine into the United States from Mexico, of which only a small percentage is seized.

According to the 2007 *National Drug Threat Assessment*, Mexican DTOs have expanded their presence in drug markets throughout the United States. Over the past few years, Mexican DTOs have moved into cities east of the Mississippi River, previously controlled by Colombian and Dominican drug traffickers. In addition, according to National Drug Intelligence Center officials although DTOs tend to be less structured in the United States than in Mexico, they have regional managers throughout the country and rely on Mexican street gangs to distribute illicit drugs at the retail level.

Mexican DTOs Are Becoming More Sophisticated

With significant resources at their disposal, DTO's are also developing more sophisticated drug trafficking methods. According to U.S. officials, Mexican DTOs are taking over the transportation of cocaine drug shipments from South America that was previously managed by Colombians.²⁴ To evade U.S. maritime detection and interdiction efforts, these organizations are increasingly using elaborate networks of go-fast boats²⁵ and refueling vessels that travel as far west as the Galapagos Islands off the coast of South America before heading north to Central American or Mexican Pacific coast ports.

According to Justice officials and related reports, Mexican drug traffickers are also taking advantage of advances in cell phone and satellite

²⁴As we reported in November 2005, improved intelligence on South American cocaine shipments resulting from U.S. law enforcement operations, notably Panama Express, has facilitated the targeting of suspected drug shipments. According to DHS officials, this partly explains the shift in drug trafficking activities from Colombian to Mexican control. (See [GAO-06-200](#).)

²⁵Go-fast boats are capable of traveling over 40 knots and are difficult to detect in open water. Even when detected, go-fast boats can often outrun conventional ships. Some go-fast boats are capable of carrying up to 8 metric tons of cocaine or other cargo.

communications technology. These advances have allowed criminal organizations to quickly communicate and change trafficking routes once they suspect their plans have been compromised. Defense, Justice, and State officials also highlighted the use of tunnels under the U.S.-Mexico border as another indication of the increased sophistication of Mexican drug trafficking operations. From 2000 to 2006, U.S. border officials found 45 tunnels—several built primarily for narcotics smuggling. According to DEA and DIA officials, the tunnels found in the last 6 years are longer, deeper, and more discrete than in prior years.²⁶

DTOs Are Growing More Violent

Drug related violence in Mexico has continued to increase in recent years. In a recent speech, Mexican President Felipe Calderón emphasized the importance of public security by stating that nothing harms Mexico as much as the lack of security on the streets and unpunished crime. During the administration of Mexico's former President, Vicente Fox (2000-2006), federal authorities declared the activities of DTOs to be a serious threat to Mexico's national security. From 2000 to 2006, the Fox Administration actively targeted major drug kingpins. Although this strategy does not appear to have significantly reduced drug trafficking in Mexico,²⁷ it disrupted the cartels' organizational structure. However, the disruption caused by the removal of some of the leadership presented opportunities for other drug traffickers to take advantage of the changing balance of power, and, in particular, to gain control of important transit corridors leading to the United States, such as Nuevo Laredo. Such struggles led to increased violence throughout Mexico, with drug related deaths estimated at over 2,000 in 2006.

Members of DTOs were not the only victims of drug related crime and violence. Recently, an increasing number of drug related incidents targeting law enforcement officers and government officials have been documented in Mexico. In June 2005, the police chief of Nuevo Laredo was assassinated just hours after being sworn into office and declaring he would step up the fight against drug cartels. Two months later, the official

²⁶One such tunnel found in 2006 was a half-mile long. It was the longest cross border tunnel discovered, reaching a depth of more than nine stories below ground and featuring ventilation and groundwater drainage systems, cement flooring, lighting, and a pulley system.

²⁷According to U.S. officials, drug kingpins still found ways to exert control over their organizations while in prison.

who oversaw Nuevo Laredo public security was murdered. In February 2007, the secretary of public safety of the border city of Agua Prieta was gunned down by suspected drug traffickers. In May 2007, the newly appointed head of Mexico's drug intelligence unit in the attorney general's office was shot and killed in a street ambush in Mexico City. Three days later, 50 heavily armed Gulf Cartel gunmen fought the Sonora State Police, taking the lives of 22 people—including 15 gunmen, 5 policemen, and 2 civilians.

Journalists have also been targeted as a result of investigative articles written about DTO activities. According to press reports, during the first 9 months of 2006, 208 acts of aggression were reported against Mexican journalists and 20 journalists were reported killed—more than any prior year. An investigative reporter in one of Mexico's major metropolitan areas explained that journalists are compelled to practice self-censorship on a daily basis and are increasingly reluctant to report on drug trafficking, fearing that they or their families will be targeted by drug traffickers. In some cases, editors encouraged their journalists to avoid the subject because of fear of possible violent repercussions. For example, after a group of armed men forced their way into the local newspaper office in Nuevo Laredo using hand grenades and machine guns and seriously wounding one reporter, the managing editor indicated that his paper would no longer cover drug gangs and their wars. Due to the risks associated with reporting on narco-trafficking, Mexico was recently ranked as the second most dangerous country in the world for journalists, after Iraq.

U.S. Counternarcotics Assistance Has Helped Mexican Counternarcotics Efforts, but Coordination Can Be Improved

According to the U.S. Embassy in Mexico, one of its primary goals is to assist the government of Mexico combat transnational crimes, particularly drug trafficking. Over the years, U.S. assistance has supported four key strategies: (1) to apprehend and extradite drug traffickers and other persons committing transnational crimes, (2) to counter money laundering by seizing the assets of DTOs, (3) to strengthen the application of the rule of law, and (4) to interdict or disrupt the production and trafficking of illicit drugs. Since 2000, U.S. assistance has made some progress in each of the strategic areas, but drug production and trafficking in Mexico since 2000 has not abated, and Mexico and the United States can improve cooperation and coordination in some areas.

Extraditions of Mexican Drug Traffickers Have Increased

A key component of the U.S. embassy’s counternarcotics goal is to combat drug trafficking by working closely with Mexican police, military, and judicial authorities to investigate, arrest, prosecute, and incarcerate or extradite persons who commit transnational crimes, including drug trafficking. According to U.S. officials, the goal in extraditing these individuals is to deny them continued access to and control over DTOs and to ensure that they are held accountable for their crimes against U.S. citizens and interests. As shown in table 3, U.S. extradition efforts have progressed gradually since 2000.

Table 3: Number of Individuals Extradited from Mexico to the United States, Calendar Years 2000-2007

Calendar Year	2000	2001	2002	2003	2004	2005	2006	2007 (through July)
Extraditions	12	17	25	31	34	41	63	55

Sources: INCSR and State.

Although the United States and Mexico have had an extradition treaty since 1980, according to Justice officials, it was not effective in the early years.²⁸ U.S. officials—primarily, Justice’s Criminal Division in collaboration with State—continued to press Mexico to extradite drug traffickers by consulting with Mexico’s Attorney General’s Office and Secretary of Foreign Relations, providing extradition training for their Mexican counterparts, and working to develop and assemble presentations of evidence for U.S. and Mexican extradition request cases. In 2004, for example, the Federal Bureau of Investigation and the U.S. Marshals Service, in conjunction with the Mexican Attorney General’s Office, developed a vetted unit in AFI specializing in fugitive apprehension. According to the U.S. embassy, in its first year in operation, AFI’s fugitive apprehension team arrested 11 top tier and second tier targeted criminals, a significant increase over the prior 2 fiscal years.²⁹ In

²⁸Mexico will not extradite individuals facing death penalty charges because of the Mexican Constitution’s strict limitations on the use of the death penalty. However, in November 2005, Mexico’s Supreme Court cleared the way for extraditing fugitives facing life imprisonment in the United States for major drug trafficking and violent crimes.

²⁹Justice maintains the Consolidated Priority Organization Target List that is an agreed-upon list of the highest level drug trafficking targets as determined by interagency law enforcement agreement. Based on their position in these criminal organizations, Justice classifies individuals as tier 1—top ranked—or tier 2—secondary ranked—targets. In 2003, Mexican authorities arrested seven tier 1 and 2 criminals and, in 2002, the number was six.

part, as a result of these efforts, the number of fugitives Mexico extradited to the United States, including Mexican nationals, increased from 17 in 2001 to 63 in 2006, with 30 of these for narcotics related offenses. Nevertheless, Justice officials expressed frustration that the individuals extradited through 2006 were mostly low-level drug traffickers.

In January 2007, under the new administration of President Felipe Calderón, Mexico extradited several high-level drug kingpins, such as the head of the Gulf Cartel Osiel Cardenas, whose extradition had been sought by U.S. authorities for some time. U.S. officials cited Mexico's decision to extradite Cardenas and other drug kingpins as a major step forward in cooperation between the two countries and expressed optimism about the prospects for future extraditions. Through July 2007, Mexico has extradited 55 individuals and, according to State, an additional 52 extraditions are pending. Justice's Criminal Division is working with prosecutors across the United States to help ensure that U.S. prosecutions move forward without delay, and U.S. prosecutors and law enforcement agencies continue to work closely with their Mexican counterparts to foster additional extraditions of U.S. fugitives from Mexico.

Efforts to Counter Money Laundering Are Progressing

A second strategy under the U.S. embassy's performance goal to combat drug trafficking in Mexico has been to counter money laundering activities by promoting asset forfeiture. DHS' ICE, DEA, Treasury's OFAC, NAS, and other U.S. agencies have supported Mexican police personnel, investigators, and prosecutors to identify and, when possible, seize the assets of DTOs. U.S. Treasury officials told us that current Mexican law restricts the authorities' capacity to seize assets and have them forfeited. Treasury and other U.S. agencies are encouraging the government of Mexico to undertake legal and regulatory reforms to facilitate forfeiture of drug trafficking assets.

In 2002, ICE and DEA supported Mexican authorities who established a vetted unit for investigating money laundering within AFI, consisting of about 40 investigators and prosecutors. These AFI officials collaborated with ICE on money laundering and other financial crime investigations and developed leads. With funding provided by NAS, ICE developed several training initiatives for Mexican law enforcement personnel targeting bulk cash smuggling via commercial flights to other Latin American countries. From 2002 to 2006, in collaboration with ICE, Mexican Customs and AFI's money laundering unit seized close to \$56 million in illicit cash, primarily at Mexico City's international airport.

In 2004, the Mexican Congress passed financial reform legislation as part of a comprehensive strategy to prevent and combat money laundering and terrorist financing. In May of that year, the Financial Intelligence Unit under Mexico's Treasury Secretariat brought together various functions previously undertaken by different Treasury Secretariat divisions with the goal of detecting and preventing money laundering and terrorist financing.³⁰ To support these efforts, NAS provided over \$876,000 for equipment and to refurbish office space for the Financial Intelligence Unit. Since 2004, the Financial Intelligence Unit has established closer monitoring of money service businesses and financial transactions.³¹ According to Financial Intelligence Unit officials, this resulted in the seizure of millions of dollars.

U.S. Treasury officials noted improvements in the level of cooperation with Mexican authorities under the Fox Administration. For example, they highlighted how the Financial Intelligence Unit started to issue accusations against individuals named on OFAC's Specially Designated Nationals and Blocked Persons list of drug kingpins and suspected money launderers.³² These accusations were forwarded to the Mexican Attorney General's Office for possible legal action. Treasury officials also expressed optimism that continued collaboration with Mexican authorities under the Calderón Administration would lead to more aggressive action on asset forfeitures.

DEA also works closely with AFI to identify the assets of Mexican DTOs. In March and April 2007, DEA conducted asset forfeiture and financial

³⁰According to Financial Intelligence Unit officials, past money laundering investigations were complicated by the fact that one Treasury Secretariat unit was responsible for collecting periodic reporting on financial transactions by banks and financial institutions, while another unit was responsible for analyzing these reports to determine whether there was suspicious activity meriting investigation, and a third unit responded to inquiries or requests for financial information from Mexican law enforcement entities.

³¹In April 2006, the U.S. Treasury's Financial Crimes Enforcement Network issued an advisory to all U.S. financial institutions on the repatriation of currency smuggled into Mexico from the United States, which provided guidance on how to identify suspicious financial transactions presumed to be proceeds from narcotics trafficking.

³²The Specially Designated Nationals and Blocked Persons List is maintained by OFAC. It lists individuals and organizations whose assets are blocked by various sanctions programs administered by OFAC, primarily for suspected involvement in terrorist or criminal activities, such as drug trafficking. Pursuant to the Foreign Narcotics Kingpin Designation Act, as of June 2007, 25 of the 54 individuals designated as drug kingpins were Mexican nationals.

investigative training to the newly formed Ad Hoc Financial Investigative Task Force in Mexico's Attorney General's Office. In March 2007, DEA efforts in an investigation of chemical control violations resulted in \$207 million in currency being seized at a residence in Mexico City.³³ In another investigation, DEA assistance led Mexican authorities to seize in excess of \$30 million in assets from a designated kingpin and his DTO. DEA officials share Treasury's optimism that continued collaboration with Mexican authorities will lead to significant seizures of drug trafficking assets.

USAID, DEA, INL, and Other U.S. Agencies Support Mexico's Rule-of-Law Efforts

A third strategic area under the embassy's goal of combating drug trafficking in Mexico has been to support reform of law enforcement and judicial institutions to promote more efficient and transparent administration of justice. As part of its rule-of-law portfolio in Mexico, USAID has promoted criminal justice reforms at the state level since 2003. The criminal procedures system that prevails in Mexico today is based on the Napoleonic inquisitorial written model, with judges working independently using evidence submitted in writing by the prosecution and defense to arrive at a ruling. According to U.S. officials, this system has been vulnerable to the corrupting influence of powerful interests, particularly criminal organizations. To promote greater transparency in judicial proceedings, USAID has supported initiatives to introduce adversarial trials in Mexico. Such trials entail oral presentation of prosecution and defense arguments before a judge in a public courtroom. Since this system is open to public scrutiny, USAID officials explained that it should be less vulnerable to corruption. To date, USAID has provided technical assistance to 14 Mexican states to implement criminal justice reforms, including oral trials.³⁴

U.S. agencies have also pursued legal and regulatory reforms related to chemicals that can be used in the production of methamphetamine in Mexico. Specifically, the United States has encouraged the government of Mexico to implement import restrictions on methamphetamine precursor

³³DEA also noted that during 2006 and 2007, besides the record large drug cash seizure, Mexican law enforcement authorities seized over 30 clandestine laboratories, over 20 tons of chemicals, and approximately 6.4 million dosage units of pseudoephedrine and ephedrine used in the manufacture of methamphetamine.

³⁴USAID noted that in 2004 they sought to support Mexican judicial reform efforts at the federal level, but the Mexican Congress failed to pass a comprehensive criminal justice reform package.

chemicals and impose stricter controls on the way these substances are marketed once in Mexico. In 2004, the Mexican Federal Commission for the Protection against Sanitary Risk (COFEPRIS)³⁵ conducted a study that revealed an excess of imports of pseudoephedrine products into Mexico. Subsequently, Mexico implemented several controls on pseudoephedrine, including (1) limiting retail sales to pharmacies; (2) limiting sales quantities allowed to individual consumers; and (3) obtaining agreement from commercial distributors to limit sales to customers with appropriate government registrations (pharmacies) and with legitimate commercial needs. In 2005, COFEPRIS officials reduced legal imports of pseudoephedrine by nearly 40 percent—from 216 metric tons in 2004 to about 132. In 2006, pseudoephedrine imports were further reduced to 70 metric tons.

U.S. Support for Mexican Interdiction Efforts Has Helped, but Improvements Are Needed

The fourth strategy under the embassy's counternarcotics goal is to support Mexican efforts to interdict illicit drugs. U.S. assistance has provided for (1) infrastructure upgrades for law enforcement entities; (2) professional training for law enforcement and judicial personnel; (3) military coordination, particularly for maritime interdiction and surveillance; and (4) aviation support for interdiction and surveillance. Overall, these U.S.-supported programs have strengthened Mexican counternarcotics efforts, but areas for improvement remain, particularly regarding cooperation and coordination with Mexican counternarcotics agencies and the provision of U.S. aviation support.

Infrastructure Upgrades and Equipment

From 2000 through 2006, a significant share of State/INL's assistance to Mexico—about \$101 million of nearly \$169 million—supported the Embassy's interdiction strategy for Mexico through the purchase of equipment to enhance border security measures and upgrade the infrastructure of various Mexican law enforcement entities. According to Mexican officials, NAS infrastructure support was particularly helpful for two units in the Mexican Attorney General's Office with counternarcotics responsibilities established under the Fox administration.

In October 2001, when the Fox administration created AFI under the jurisdiction of the Attorney General's Office, NAS provided infrastructure and equipment for counternarcotics operations. Some of the major

³⁵COFEPRIS is the Spanish acronym for Comisión Federal para la Protección contra Riesgos Sanitarios.

acquisitions included computer servers, telecommunications data processing hardware and software, systems for encrypting telecommunications, telephone systems, motorcycles, and a decontamination vehicle for dismantling methamphetamine processing labs. In addition, NAS funded the renovation of a building where AFI staff were located, as well as the construction of a state-of-the-art network for tracking and interdicting drug trafficking aircraft (see fig. 2). According to State reports, since 2001, AFI personnel have figured prominently in investigations, resulting in the arrests of numerous drug traffickers and corrupt officials, becoming the centerpiece of Fox administration efforts to transform Mexican federal law enforcement entities into effective institutions.

Figure 2: AFI Interdiction Center, Mexico City



Source: AFI.

In July 2003, the Mexican Attorney General's Office reorganized its drug control planning capacity under the National Center for Analysis, Planning

and Intelligence (CENAPI).³⁶ This unit, which reports directly to the Attorney General, assumed a broad mandate to gather and analyze strategic intelligence on organized criminal organizations in Mexico, including drug trafficking and money laundering. According to State/INL reports, confirmed by CENAPI officials, NAS equipped the new unit with a state-of-the-art computer network for collecting, storing, and analyzing crime related information. CENAPI analysts also noted that software provided by NAS allowed them to process large volumes of data—including background files on more than 30,000 criminals—and make considerable progress in investigations of unsolved crimes.

In 2005, NAS provided computer equipment for COFEPRIS to monitor imports of methamphetamine precursor chemicals at major international points of entry into Mexico. This complemented efforts by the United Nations Office on Drugs and Crime to enhance COFEPRIS' capabilities to track shipments and imports of precursor chemicals and controlled medicines through a National Drug Control System database.

NAS also funded the procurement of nonintrusive inspection equipment for Mexican customs officials to scan container trucks, railroad cars, and other cargo for illicit contraband at Mexican ports and the border. Such border security measures also support counternarcotics efforts, since drug traffickers are known to exploit opportunities provided by legitimate U.S.-Mexico cross border trade to smuggle illicit drugs. Border security funding was also used to enhance secure rapid inspection lanes at six U.S.-Mexico border crossings.

In addition to support provided by NAS, Justice's DEA provided specialized equipment to the Attorney General's Office and other Mexican law enforcement entities to allow them to detect and properly handle hazardous materials at clandestine methamphetamine laboratories. This included safety suits required for clandestine lab clean-ups, evidence containers, and drug-testing chemical kits. DEA also donated eight specially designed vehicles equipped with oxygen tanks and other equipment necessary to handle toxic chemicals typically found at facilities where methamphetamine is produced. These trucks were recently refurbished and will be based at locations throughout Mexico where a large number of methamphetamine labs are suspected of operating.

³⁶CENAPI is the Spanish acronym for Centro Nacional de Planeación, Análisis e Información para el Combate a la Delincuencia

Law Enforcement and Judicial Personnel Training

U.S. agencies have sought to strengthen Mexico's interdiction capabilities through training for Mexican law enforcement, judicial, and military personnel. According to State, the overall purpose of this training is to help Mexican police personnel and prosecutors more effectively combat all transnational crimes affecting U.S. interests, including drug trafficking and money laundering. NAS has taken the lead in funding such training, and courses are typically taught by U.S. law enforcement agencies and various contractors in Mexico and the United States. From 2000 through 2006, NAS provided approximately \$15 million for such training. DEA has also funded some training for members of its vetted units, and Defense has provided training for Mexican military officials.

According to U.S. and Mexican officials, this training was an integral part of the Mexican Attorney General's efforts to develop a professional cadre of investigative agents within AFI, and it also supported more general efforts by the Fox Administration to upgrade the capabilities and ethical awareness of Mexican law enforcement officials at the federal, state, and local levels. By 2006, the United States had supported training for over 2,000 federal, state, and local law enforcement officials with a goal of training 2,000 more in 2007.

DEA funded some Mexican law enforcement training provided to AFI investigative agents and prosecutors. Mexican officials we interviewed, who had completed the DEA training, stressed the importance of their coursework in securing crime scenes and properly handling chemicals found in methamphetamine labs. DEA also funded specialized training for vetted Mexican law enforcement units dedicated to sensitive investigations. Members of these vetted units participate in a specially designed training course at DEA's International Training Academy in Quantico, Virginia. The total cost of this training for 298 special investigative agents amounted to about \$1.4 million during 2002-2006.

According to DEA officials, since 2002, DEA has also supported Mexican efforts to disrupt and dismantle DTOs through specially vetted units within AFI. DEA provided this support under its Sensitive Investigative Unit (SIU) program.³⁷ SIU members are vetted by Mexico, but trained and equipped by DEA. According to DEA officials and related reports, the SIU program

³⁷In fiscal year 1997, DEA was directed to initiate a vetted unit program in Mexico, among other countries. See H. Rept. 104-676, p. 25, accompanying that year's Omnibus Appropriations Act, Public Law No. 104-208 (1996).

Interdiction Cooperation and
Coordination Can Be Improved

has been an effective mechanism for sharing sensitive data between U.S. and Mexican law enforcement agencies, and, over the past 5 years, SIU units have undertaken investigations leading to the arrest of numerous drug traffickers, including several top drug kingpins.

In some areas of interdiction, cooperation and coordination can be improved. Since 2000, Defense has spent a total of about \$58 million for equipment and training for the Mexican military, particularly to help the Mexican Navy interdict aircraft and vessels suspected of transporting illicit drugs. But Defense officials told us that U.S. efforts to interdict Mexican-flagged suspect vessels are hampered by the lack of a maritime cooperation agreement and, also, that coordination with the Mexican Army that manually eradicates drug crops can be improved. In addition, from 2001 until late 2006, CBP provided eight Citation jets for detection and monitoring of suspected drug trafficking aircraft along the U.S.-Mexican border under a program known as Operation Halcon in cooperation with AFI drug interdiction operations.³⁸ U.S. officials cited the program as a successful cooperative relationship, but the program has been suspended since November 2006 because of concerns over the status of U.S. personnel in the program, as well as U.S. liability in the event of an accident.

Defense. During 2000-2006, Defense provided training for about 2,500 Mexican military personnel in the use of certain kinds of equipment, as well as training to enable them to coordinate with U.S. aircraft and vessels. The training provided was designed to strengthen the Mexican military's ability to detect, monitor, and interdict suspected drug trafficking aircraft and vessels, as well as help professionalize Mexico's military and build good relations between U.S. and Mexican military personnel.

Since 2000, Defense initiatives have facilitated coincidental maritime operations between Mexico and the United States and have resulted in greater cooperation between the two countries, particularly with respect to boarding, searching, and seizing suspected vessels transiting Mexican waters. In recent years, the Mexican Navy has regularly responded to U.S. information on suspect vessels transiting Mexican waters—46 times in 2006, for example. In addition, the Mexican Navy agreed on several

³⁸When in Mexico, all activity was coordinated with the Air Interception Director of AFI and an AFI pilot was aboard the aircraft. The Citations would track the suspect aircraft, and UH-1Hs provided to the Attorney General's Office would transport law enforcement officers to the landing site.

occasions to temporarily place Mexican liaison officers aboard U.S. Coast Guard vessels, as well as placing U.S. Coast Guard officers aboard Mexican vessels. The Mexican Navy also permitted U.S. law enforcement personnel, on some occasions, to participate in dockside searches and post-seizure analyses.

However, the United States and Mexico have not agreed to a bilateral maritime cooperation agreement that would allow U.S. law enforcement personnel to board and search Mexican-flagged vessels on the high seas suspected of trafficking illicit drugs without asking the government of Mexico for authority to board on a case-by-case basis.³⁹ According to Defense officials, a request to board and search a suspicious Mexican-flagged vessel—or one whose captain reports it is Mexican-registered—can be complex and time consuming, involving, at a minimum, the Mexican Foreign Affairs Secretariat and the Mexican Navy. Waiting for approval or the arrival of the Mexican Navy typically creates delays, which can result in the loss of evidence as the illicit drugs are thrown overboard or the vessel is scuttled or escapes. In addition, while the Mexican Navy has proved willing to respond to U.S. information on suspicious vessels transiting Mexican waters, according to Defense officials, the Mexican Navy does not normally conduct patrols more than 200 nautical miles from shore.⁴⁰

In addition, according to embassy and Defense officials, Defense has little contact with Mexico's Defense Secretariat (SEDENA),⁴¹ which oversees the Mexican Army and Air Force. According to these officials, the Mexican Army has conducted counternarcotics operations throughout Mexico, including in Acapulco, Nuevo Laredo, and Tijuana to reduce the violence caused by drug trafficking, and it manually eradicates opium poppy and marijuana. But, according to Defense officials, none of these efforts took advantage of U.S. expertise or intelligence. In the past, some eradication efforts were also done by the Mexican Attorney General's Office, which worked with its U.S. counterparts. Now, however, the Calderón

³⁹The United States has bilateral maritime cooperation agreements with more than 20 other countries in the Caribbean or Central and South America.

⁴⁰The Mexican Constitution prohibits the deployment of forces more than 200 nautical miles from Mexican territory during peacetime unless the deployment is requested by the President and authorized by Congress.

⁴¹SEDENA is the Spanish acronym for Secretaría de la Defensa Nacional.

administration plans to consolidate all eradication efforts under SEDENA, which makes greater cooperation with SEDENA all the more important.

Customs and Border Protection. According to CBP officials, in recent years Operation Halcon was a successful interdiction effort that helped prevent drug traffickers from flying aircraft near the U.S.-Mexican border, which made it more difficult to transport illicit drugs to the United States. They also noted that CBP and AFI personnel worked very closely and one CBP official worked full time at the AFI Command Center. Moreover, CBP officials maintained that the embassy infrastructure, operational staffing, and relationships developed under Halcon provided critical daily interface with the Mexican authorities, facilitating quick responses to operational needs along the border and the sharing of intelligence. Overall, in 2005, between 15 and 25 percent of the 294 suspect aircraft identified by Operation Halcon resulted in seizures of aircraft and other vehicles or arrests.

In March 2006, the United States sought to formalize Operation Halcon to limit liability for U.S. pilots involved in the patrols in the event of an accident. However, the Mexican government did not respond with terms acceptable to CBP and, in November 2006, the government of Mexico suspended the program. As a result, U.S. embassy officials said that fewer suspect flights are being identified and interdicted. According to CBP officials, since the suspension, seizures of illicit drugs along the U.S.-Mexican border have increased, which, according to DEA, CBP, and other cognizant officials, is an indication that more drugs are finding their way to northern Mexico.⁴²

U.S. Aviation Support for Interdiction Can Be Better Coordinated

During 2000-2006, NAS provided about \$22 million, or 13 percent of State/INL's obligations for Mexico, to support aviation programs for counternarcotics efforts by the Attorney General's Office and one program for the Mexican Air Force. NAS aviation support for the Mexican Attorney General's Office provided helicopter transport for law enforcement officers to interdict traffickers and other helicopters to enhance surveillance. Assistance to the Mexican Air Force facilitated the maintenance and operation of certain U.S.-provided aircraft.

⁴²For example, in the Tucson, Arizona, area, reported drug seizures have increased by 40 percent.

Since 1990, NAS has provided 41 Vietnam-era UH-1H helicopters, of which 28 remain in service, to the Mexican Attorney General's Office for transporting law enforcement personnel to interdict drug trafficking aircraft landing in Mexico.⁴³ Since 2000, NAS expended \$4.5 million to refurbish eight of the aircraft.⁴⁴ According to State, the aircraft have served as the transportation work horse for the Attorney General's air services section, flying a total of approximately 14,000 hours from 2001 to 2006. However, according to the embassy, the UH-1H program did not meet its target of interdicting 15 percent of all aircraft detected in the transport of illicit drugs and crops—in 2005, 4 percent were interdicted. In addition, the helicopters' readiness rates have progressively declined from about 90 percent in January 2000 to 33 percent in January 2007. NAS and Mexican officials attributed the reduced readiness rates to a lack of funding and a lack of spare parts for these aging aircraft, which Defense will stop supporting in 2008. In January 2007, NAS officials told us that State/INL does not intend to provide any further support for the UH-1Hs. (Fig. 3 is a photograph of a Mexican UH-1H helicopter.)

⁴³In addition, prior to 2000, NAS provided 39 other aircraft, including helicopters and fixed-wing aircraft, to the Attorney General's Office.

⁴⁴The remaining UH-1H helicopters were refurbished before 2000.

Figure 3: Mexican UH-1H Helicopter



Source: GAO.

Beginning in 2004, NAS provided the Attorney General's Office 12 Schweizer 333 helicopters, of which 11 remain operational.⁴⁵ The total expended for these helicopters was \$14.2 million, which included a 2-year support package. Equipped with forward looking infrared sensors for nighttime operations as well as television cameras, the Schweizers are designed to provide the Attorney General's Office with a reconnaissance, surveillance, and command and control platform.⁴⁶ According to State officials, the Schweizers were used in Nuevo Laredo and other locations, providing support for surveillance operations, flying a total of approximately 1,750 hours from September 2004 to February 2007. (Fig. 4 is a photograph of a Mexican Schweizer helicopter.)

⁴⁵One Schweizer crashed in June 2006.

⁴⁶The Schweizer 333 normally carries a three-person crew—a pilot, a co-pilot, and an observer to operate the forward-looking infrared sensor and TV camera and communicate to commanders on the ground.

Figure 4: Mexican Schweizer 333 Helicopter



Source: GAO.

Originally, NAS had planned to provide 28 Schweizers, deploying them to various points throughout Mexico; however, according to State officials, due to funding limitations and changed priorities, NAS capped the number of Schweizers at 12. According to State, the Mexican government requested the Schweizers after Mexican law enforcement officials saw them operate in the United States. After consultation with the government of Mexico State reached agreement on the provision of the helicopters in an exchange of diplomatic notes between the two governments. However, Mexican Attorney General officials, told us that they would have preferred a helicopter with both a surveillance capability and troop transport capacity.⁴⁷

⁴⁷State has undertaken a study to assess its overall aviation fleet's composition, identify investment needs, and assess alternative approaches for meeting those needs. See GAO, *State Department: State Has Initiated a More Systematic Approach for Managing Its Aviation Fleet*, [GAO-07-264](#) (Washington, D.C.: Feb. 2, 2007).

During 2000-2006, NAS also expended about \$4.2 million to repair, maintain, and operate four C-26 aircraft provided by the United States to Mexico in 1997. At the time, the aircraft did not have a surveillance capability, and the Mexican Air Force indicated it had no plans to invest in the necessary equipment. In 1998, we reported that the Mexican Air Force was not using the aircraft for any purpose.⁴⁸ After Mexico upgraded these aircraft with forward looking infrared radar in 2002, NAS funded maintenance of the aircraft and sensors, as well as training for sensor operators and imagery analysts. Part of the NAS funding was also used to provide contractor logistical support, including spare parts.

Southwest Border Strategy's Implementation Plan Is under Development

In March 2006, ONDCP, in conjunction with the National Security Council and other agencies involved in U.S. interagency counternarcotics community, developed a strategy to help reduce the illicit drugs entering the United States across the southwest border with Mexico.⁴⁹ The stated objectives of the strategy are to

- enhance and better coordinate the collection of intelligence;
- effectively share information, when appropriate, with Mexican officials;
- investigate, disrupt, and dismantle Mexican DTOs;
- interdict drugs and other illicit cargo by denying entry by land, air, and sea routes;
- deny drug traffickers their profits by interdicting bulk currency movement and electronic currency transfers;
- enhance Mexico's counter drug capabilities; and
- reduce the corruption that facilitates illicit activity along and across the border.

⁴⁸[GAO/NSIAD-98-154](#).

⁴⁹The Office of National Drug Control Policy Reauthorization Act of 2006, enacted in December 2006, states that not later than 120 days after the act's enactment and every 2 years thereafter, ONDCP will submit to the Congress a Southwest Border Counternarcotics Strategy that, among other things, identifies specific resources required to implement the strategy. According to ONDCP, the strategy—although not its implementation plan—was completed in March 2006, 9 months prior to the enactment of this legislation.

According to ONDCP officials, an implementation plan addressing the seven objectives and each of a number of goals was prepared. Each goal was designated with a lead agency as well as other major U.S. agency stakeholders to develop plans of action, including needed resources. On the basis of our review of the strategy and implementation plan, a number of the U.S. proposals require the cooperation of the government of Mexico, but ONDCP told us that the strategy and plan have not been addressed with Mexican authorities. ONDCP noted that the strategy and implementation plan were originally prepared with emphasis on what the United States could do to stem the flow of illicit drugs from Mexico. However, the plan is being revised in response to recent counternarcotics initiatives undertaken by the government of Mexico. ONDCP officials indicated that the plan should be completed in the late summer or fall of 2007.

Conclusions

U.S. counternarcotics assistance to Mexico since 2000 has made some progress in helping Mexico strengthen its law enforcement institutions and capacity to combat illicit drug production and trafficking. Among other things, extraditions of drug kingpins to the United States have begun, thousands of Mexican counter-drug law enforcement personnel have been trained and vetted and work closely with their U.S. counterparts, and Mexico has begun limiting the import of precursor chemicals for manufacturing methamphetamine. Other efforts are under way to enhance Mexican law enforcement's ability to counter money laundering.

However, overall, the flow of illicit drugs through Mexico to the United States has not abated, and interdiction efforts in Mexico have seized relatively small quantities of the illicit drugs estimated to be transiting through or produced in Mexico. Moreover, drug related corruption persists throughout much of Mexico, and Mexican DTOs have increasingly become a threat in Mexico, which has seen an increase in drug related violence, and expanded their presence throughout much of the United States. Mexican officials have recognized the increasing threat. Mexico's President, Felipe Calderón, has indicated that combating the illicit drug threat will be a priority and has signaled an interest in greater cooperation with the United States.

On the basis of our review, greater cooperation and coordination between the U.S. interagency counternarcotics community and their government of Mexico counterparts is needed to address issues related to several on going U.S. counternarcotics assistance programs. For example,

-
- Although the Mexican Navy has acted on U.S.-provided information regarding maritime vessels suspected of carrying illicit drugs, it is limited in its ability to act on some suspected vessels because the Navy cannot go more than 200 nautical miles from shore without special authorization. In many cases, the United States cannot take action because the existing requirement that Mexico authorize boarding on a case-by-case basis is too time consuming to allow searches before evidence is destroyed or the vessel is scuttled.
 - An aerial surveillance program along the U.S.-Mexico border was suspended because the United States and Mexico could not reach agreement on certain personnel status issues. Without an air surveillance and interdiction program along the U.S.-Mexico border, cognizant U.S. law enforcement officials report indications of increased drug trafficking.
 - The Vietnam-era UH-1H helicopters provided to the Mexican Attorney General's Office have proved expensive and difficult to maintain because they are old.⁵⁰ Furthermore, Defense is phasing out support for this aircraft. As a result, the Attorney General's Office will increasingly have difficulty transporting law enforcement officers to interdiction sites.
 - The Schweitzer helicopter border surveillance program apparently did not meet the needs of the Mexican Attorney General's Office. State has halted the program after the delivery of 12 out of 28 planned aircraft. Officials in the Attorney General's Office told us they needed helicopters with a greater transportation capacity.

With the Calderón administration, the United States may have an opportunity to work with the government of Mexico to reduce drug production and trafficking. An important first step is for ONDCP and the U.S. counternarcotics interagency community to complete the Southwest Border Counternarcotics Strategy's implementation plan, including coordinating any proposed initiatives that require Mexico's cooperation. In addition, any future U.S. counternarcotics assistance should be closely coordinated with government of Mexico authorities to develop a mutually acceptable approach to stemming the production and trafficking of illicit drugs.

⁵⁰This is not a new issue. In 1998, we reported that UH-1H helicopters provided to the Mexican Army were not being properly maintained, and they eventually were returned to the United States. See [GAO/NSIAD-98-154](#).

Recommendation for Executive Action

To help counter the increasing threat of illicit drugs reaching the United States from Mexico, we recommend that the Director of ONDCP, as the lead agency for U.S. drug policy, in conjunction with the cognizant departments and agencies in the U.S. counternarcotics interagency community, coordinate with the appropriate Mexican officials before completing the Southwest Border Counternarcotics Strategy's implementation plan to help ensure Mexico's cooperation with any efforts that require it and address the cooperation issues we identified. To help maximize ongoing U.S. assistance programs, such efforts should include, but not be limited to (1) promoting greater cooperation and coordination between Defense and the Mexican military services; (2) agreeing to a maritime cooperation agreement; (3) resolving the personnel status issue to allow aerial patrols along the U.S.-Mexico border to resume; and (4) reviewing Mexico's overall aviation requirements for interdiction purposes and determining how best the United States can assist.

Agency Comments and Our Evaluation

ONDCP provided written comments on a draft of this report. See appendix III. In its comments, ONDCP concurred with the recommendation. ONDCP emphasized that the Southwest Border Counternarcotics Strategy's implementation plan must be a living document with the flexibility to adjust as resources become available. ONDCP added that it will facilitate U.S. lead agency coordination with Mexican agencies, either directly or through one of the several existing binational working groups.

The Departments of Defense, Homeland Security, Justice, State, and Treasury and USAID did not provide written comments. However, we discussed the draft report with cognizant officials at each of the departments and USAID. Overall, the departments, ONDCP, and USAID concurred with the report's findings and provided us technical comments and updates that we have incorporated throughout the report, as appropriate.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to interested congressional committees; the Director of ONDCP; the Secretaries of Defense, Homeland Security, Treasury, and State; the Attorney General; and the Director of Foreign Assistance and the USAID Administrator. We will also make copies available to others upon request. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-4268 or fordj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J".

Jess T. Ford,
Director, International Affairs and Trade

Appendix I: Descriptions of the Illicit Drugs Flowing into the United States from Mexico

The four principal illicit drugs that flow into the United States from Mexico are cocaine, heroin, marijuana, and methamphetamine. The bulk of cocaine destined for the U.S. market comes through Mexico, and Mexico is a major supplier of the heroin consumed in the United States. In addition, Mexico is the principal foreign source of marijuana and methamphetamine. The following descriptions of these drugs are adapted from the White House Office of National Drug Control Policy's web site. To obtain more information and to link to various studies and reports addressing illicit drug use in the United States, go to www.whitehousedrugpolicy.gov.

Cocaine

Pure cocaine was first used in the 1880s in eye, nose, and throat surgeries as an anesthetic and for its ability to constrict blood vessels and limit bleeding. However, many of its therapeutic applications are now obsolete because of the development of safer drugs.

Cocaine is the most potent stimulant of natural origin. This substance can be snorted, smoked, or injected. When snorted, cocaine powder is inhaled through the nose where it is absorbed into the bloodstream through the nasal tissues. When injected, the user uses a needle to release the drug directly into the bloodstream. Smoking involves inhaling cocaine vapor or smoke into the lungs where absorption into the bloodstream is as rapid as by injection. Each of these methods of administration pose great risks to the user.

Crack is cocaine that has been processed from cocaine hydrochloride to a free base for smoking. Crack cocaine is processed with ammonia or sodium bicarbonate (baking soda) and water. It is then heated to remove the hydrochloride producing a form of cocaine that can be smoked.

According to the 2005 *National Survey on Drug Use and Health*,¹ approximately 33.7 million Americans ages 12 and older had tried cocaine at least once in their lifetimes, representing 13.8 percent of the population ages 12 and older. Approximately 5.5 million (2.3 percent) had used

¹Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Office of Applied Studies; *Results from the 2005 National Survey on Drug Use and Health: National Finding*; NSDUH Series H-30, DHHS Publication No. SMA 06-4194 (Rockville, MD: September 2006). The survey tracks the incidence and prevalence of substance abuse in the general population by surveying individuals over 12 years old living in households.

cocaine in the past year and 2.4 million (1 percent) had used cocaine within the past month.

Heroin

Heroin is a highly addictive drug and is the most widely abused and most rapidly acting of the opiates. Heroin is processed from morphine, a naturally occurring substance extracted from the seed pod of certain varieties of poppy plants. Pure heroin, which is a white powder with a bitter taste, is rarely sold on the streets. Most illicit heroin is a powder varying in color from white to dark brown. The differences in color are due to impurities left from the manufacturing process or the presence of additives. Another form of heroin, black tar heroin, is primarily available in the western and southwestern United States. This heroin, which is produced in Mexico, may be sticky like roofing tar or hard like coal, with its color varying from dark brown to black. Heroin can be injected, smoked, sniffed, or snorted.

According to the 2005 *National Survey*, approximately 3.5 million Americans aged 12 or older reported trying heroin at least once during their lifetimes, representing 1.5 percent of the population aged 12 or older. Approximately 379,000 (0.2 percent) reported past year heroin use and 136,000 (0.1 percent) reported past month heroin use.

Marijuana

Marijuana is a green, brown, or gray mixture of dried, shredded leaves, stems, seeds, and flowers of the hemp plant (*cannabis sativa*). Cannabis is a term that refers to marijuana and other drugs made from the same plant. Other forms of cannabis include sinsemilla, hashish, and hash oil. All forms of cannabis are mind-altering (psychoactive) drugs.

The main active chemical in marijuana is delta-9-tetrahydrocannabinol (THC). Short-term effects of marijuana use include problems with memory and learning, distorted perception, difficulty with thinking and problem solving, loss of coordination, increased heart rate, and anxiety. Marijuana is usually smoked as a cigarette (called a joint) or in a pipe or bong. Marijuana has also appeared in blunts, which are cigars that have been emptied of tobacco and refilled with marijuana, sometimes in combination with another drug, such as crack. It can also be mixed into foods or used to brew a tea.

Marijuana is the most commonly used illicit drug. According to the 2005 *National Survey*, an estimated 97.5 million Americans aged 12 or older have tried marijuana at least once in their lifetimes, representing 40

percent of the U.S. population in that age group. The number of past year marijuana users in 2005 was approximately 25.4 million (10.4 percent of the population aged 12 or older) and the number of past month marijuana users was 14.6 million (6 percent).

Methamphetamine

Methamphetamine is a highly addictive central nervous system stimulant that can be injected, snorted, smoked, or ingested orally.

Methamphetamine users feel a short yet intense rush when the drug is initially administered. The immediate effects of methamphetamine include increased activity and decreased appetite. The drug has limited medical uses for the treatment of narcolepsy, attention deficit disorders, and obesity.

Most amphetamines distributed to the black market are produced in clandestine laboratories. Methamphetamine laboratories are, by far, the most frequently encountered clandestine laboratories in the United States. The ease of clandestine synthesis, combined with tremendous profits, has resulted in significant availability of illicit methamphetamine. Large amounts of methamphetamine are also illicitly smuggled into the United States from Mexico.

According to the 2005 *National Survey*, an estimated 10.4 million Americans aged 12 or older used methamphetamine at least once in their lifetimes for nonmedical reasons, representing 4.3 percent of the U.S. population in that age group. The number of past year methamphetamine users in 2005 was approximately 1.3 million (0.5 percent of the population aged 12 or older) and the number of past month methamphetamine users was 512,000 (0.2 percent).

Appendix II: Scope and Methodology

To address developments in the illicit drug threat posed by Mexican drug trafficking to the United States since calendar year 2000, we reviewed various studies, such as the *National Drug Threat Assessment* produced each year by the National Drug Intelligence Center. We reviewed department and agency planning, reporting, and budgeting documents and obtained and reviewed the various strategy documents produced by the United States that are the basis for overall drug control efforts, such as the Office of National Drug Control Policy's (ONDCP) annual *National Drug Control Strategy*, the *Synthetic Drug Control Strategy* published in September 2006, and the U.S. embassy's Mission Performance Plans for fiscal years 2002 through 2006. We also reviewed the government of Mexico's *National Drug Control Strategy* for the period 2001-2006. In March 2006, ONDCP and the interagency counternarcotics community completed the Southwest Border Counternarcotics Strategy, which includes several objectives and goals dealing with Mexico. Although ONDCP officials provided us access to the strategy in May 2007 and the implementation plan in June 2007, the implementation plan had not been finalized by the time we completed this report.

To report on illicit drug production and seizure data since 2000, we obtained estimates from various sources. Overall, the data have limitations, due in part to the illegal nature of the drug trade and the timelag inherent in collecting meaningful data.

- To track changes in the amount of cocaine flowing towards the United States from South America, we relied on the *Interagency Assessment of Cocaine Movement*, an annual interagency study designed to advise policymakers and resource analysts whose responsibilities include detection, monitoring, and interdicting illegal drug shipments.
- Because no similar interagency flow assessments are done for heroin, marijuana, and methamphetamine, we obtained estimates of production and seizures from the Department of State's (State) annual *International Narcotics Strategy Report* (INCSR) produced in March of each year and the National Drug Threat Assessments.

To understand how these estimates were developed, we discussed the studies and overall trends in the illicit drug threat from Mexico with cognizant officials from the Departments of Defense, Homeland Security, Justice, and State, as well as ONDCP. Specifically, we discussed the development of cocaine flow data with officials from the Defense Intelligence Agency and the Central Intelligence Agency, Crime and Narcotics Center, and the compilation of U.S.-Mexico border seizure data

with officials from the El Paso Intelligence Center in El Paso, Texas. We also met with and discussed these issues with cognizant Mexican officials in the Attorney General's Office and Mexican law enforcement agencies at the federal, state, and local levels. Notwithstanding the limitations of the drug production and seizure data, we determined that these data were sufficiently reliable to provide an overall indication of the magnitude and nature of the illicit drug trade since 2000.

To document the assistance provided by the United States to support Mexico's counternarcotics efforts since fiscal year 2000, we reviewed and analyzed congressional budget presentations, program and project status reports, and related information. We also reviewed program, budgetary, and expenditure data from the various departments and agencies in Washington, D.C., that manage these programs and met with officials responsible for managing these programs, including officials from the Departments of Defense, Homeland Security, Justice, State, and Treasury; as well as ONDCP and the U.S. Agency for International Development. In addition, we observed U.S. programs and talked with program managers at the El Paso Intelligence Center in El Paso, Texas; Customs and Border Protection's Air and Maritime Operations Center in Riverside, California; and the Joint Interagency Task Force-South in Key West, Florida. We also met with some Mexican federal and state officials undergoing Drug Enforcement Administration sponsored training at its Academy in Quantico, Virginia. In Mexico, we obtained copies of relevant program and budgetary data, including the embassy's Mission Performance Plan for fiscal years 2002 through 2008, and met with U.S. officials responsible for implementing and monitoring these programs in several cities, as well as their Mexican counterparts at the federal, state, and local levels. The cities included Mexico City, Guadalajara, Mazatlan, Monterrey, Nuevo Laredo, and Tijuana. On the basis of our observations in the field and our assessment of the programmatic and budgetary data provided, we concluded that the program data provided to us were sufficiently reliable for purposes of this report.

Finally, the information and observations on foreign law in this report do not reflect our independent legal analysis, but is based on interviews with cognizant officials and secondary sources.

Appendix III: Comments from the Office of National Drug Control Policy



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D. C. 20503

July 25, 2007

Mr. Jess Ford
Director, International Affairs and Trade Issues
Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

Dear Mr. Ford:

Thank you for the opportunity to comment on the draft GAO 07-1018 report entitled *Drug Control: U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow to the United States*. Your report comes during a unique period in our bi-lateral relations with Mexico. Given the enormous political will presently exhibited by the Government of Mexico to eliminate illegal drug trafficking, coordination is necessary and useful to improve the effectiveness of programs designed to destroy criminal organizations that operate in both of our countries and to reduce the availability of illegal drugs in both countries.

We accept your recommendation that ONDCP lead USG coordination of the Southwest Border Strategy Implementation Plan with the Government of Mexico. Our intention is to maximize cooperation and coordination with Mexico. In this pursuit, the implementation plan must be a "living document" with the flexibility to allow adjustments as resources become available. As part of the roll out of the Southwest Border Strategy, we will brief Mexican officials and solicit their input on which Mexican agencies should be brought into a coordinated effort to implement the Strategy. We will facilitate U.S. lead agency coordination with Mexican agencies, either directly or through one of several existing bi-national working groups.

Once again, we appreciate the opportunity to review this report and believe we are already on the right course concerning your recommendation.

Sincerely,

A handwritten signature in black ink that reads "John P. Walters".

John P. Walters
Director

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Jess T. Ford, (202) 512-4268 or fordj@gao.gov

Staff Acknowledgments

In addition to the contact named above, Al Huntington, Assistant Director; Joe Carney; Francisco Enriquez; Juan Gobel; José Peña; and Julia Roberts made key contributions to this report.

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