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3-31-2016

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Recommended Citation
Ellis, R. Evan, "Strategic Insights: Mexico—New Directions, Continuity, and Obstacles in the Fight Against Transnational Organized Crime" (2016). *Articles & Editorials*. 435.
https://press.armywarcollege.edu/articles_editorials/435

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Strategic Insights: Mexico—New Directions, Continuity, and Obstacles in the Fight Against Transnational Organized Crime

March 31, 2016 | Dr. R. Evan Ellis

From February 15-23, 2016, I[1] had the opportunity to travel to Mexico to conduct interviews with Mexican security experts about the evolution of transnational organized crime in the country and the work of Mexico's current government to combat it.

My trip to Mexico coincided with the February 12-17 visit to Mexico by Pope Francis. The Pope also focused on issues related to organized crime during stops in Michoacán[2] and Ciudad Juarez.[3] This focus briefly highlighted to the world the gravity of Mexico's struggle, and the importance of prevailing for the future of the country and the region.

While I did not have the good fortune to see Pope Francis, the following are some of my preliminary insights regarding Mexico's struggle against organized crime, based on my interviews and supporting research.

In comparing the perspectives of Mexican government officials, the Armed Forces and police to those of academics, journalists, teachers and taxi drivers, the range of perceptions regarding what is happening in the country is stunning. At the popular level, cynicism is profound regarding President Enrique Peña Nieto and his government, the principal political parties, and security and justice institutions at the national, state, and local levels. In the tradition of surreal drama reflected in Mexico's television art form, the *telenovela*, allegations abound of criminal connections involving President Peña Nieto, senior government, Army, and intelligence figures, and even the media outlet Televisa, and senior Mexican Clergy.

Without attempting to evaluate the veracity of such allegations, it is clear that Mexico's struggle against transnational organized crime is compounded by a profound crisis of public confidence. Nonetheless, beyond such cynicism, the Peña Nieto government has made important changes in both style and substance in combating criminal cartels, gangs, and related internal security challenges in Mexico.

In the "National Development Plan" for the current sexenio, President Peña Nieto and his government have emphasized a "multidimensional" approach toward security, giving attention in the document to the integration of security and developmental goals and societal health.[4]

With the return of the Institutional Revolutionary Party (PRI) to the Presidency following a 12-year hiatus, Peña Nieto has sought to more actively involve state-level governments in the security decision-making process, given that the majority of states in Mexico have historically been, and continue to be, governed by the PRI.

Peña Nieto has expanded the outreach to states not only through the influential council of governors (CONAGO),[5] but also through the broadly inclusive, albeit unwieldy, "National Council on Public Security." This council meets twice per year, as well as in special sessions such as that called by Peña Nieto upon his inauguration. It includes Mexico's governors and their security officials, a representation of mayors and non-governmental organizations, the heads of both houses of the Mexican Congress, both of the nation's separate Armed Forces, and a variety of other federal organizations.

Beyond holding such coordinating meetings, the president has also targeted five impoverished "special economic zones," principally in the south of the country, to receive a special combination of security and development assistance, such as infrastructure projects. However, these projects are either in their infancy or still to be defined, and correspondingly, the fruits of such efforts have yet to emerge.

The Peña Nieto government has also increased efforts to integrate the activities of the Mexican Army, Navy, and law enforcement institutions in combatting organized crime. Symbolically, under Peña Nieto, the government is using a single press spokesman to announce the results of all operations, rather than separate spokespersons from the Army, Navy and other organizations, as was the case previously. For similar reasons, the government notably has also moved the web interfaces of all security-affiliated ministries, including the Army and Navy, onto a single common website to strengthen the appearance of unity.

At the substantive level, for the first time, the Mexican government has created a national security document that covers the Army, Air Force, and Navy as well as other security-oriented government organizations.[6] Yet in reality, the document has not

replaced the separate “sectoral plans” of each ministry. Indeed, the document was actually derived from the separate sectoral plans of each ministry, rather than shaping them. The document has also been criticized for focusing too heavily on intelligence matters and the national intelligence organization, *Centro de Investigación y Seguridad Nacional* (CISEN).

The Peña Nieto government has further committed to producing a common “White Paper” on national defense strategy. However, the services are reportedly hampered in taking the document forward because of a perceived lack of clarity regarding what the government’s defense policy governing that strategy actually is.

Beyond such documents, Mexico’s security strategy is also governed by the "National Risk Agenda," a document managed by CISEN, which prioritizes specific threats. Yet access to the document is reportedly highly restrictive, limiting the ability of planners in the military and other security institutions on a broad basis to be guided by it.

In addition to documents, the Ministry of the Navy (which has taken on significant responsibilities for operations against high-value targets and deployments across Mexico since the initial deployment of the military into Michoacán in 2006) appears to have improved coordination with its larger counterpart, the Mexican National Defense Ministry. The head of the Mexican Navy, Admiral Vidal Francisco Soberón Sanz, and the head of the National Defense Ministry, General Salvador Cienfuegos Zepeda, have a good personal relationship and coordinate better than their predecessors, although a certain level of rivalry and mistrust is perceptible among the officers of each institution toward those of the other.

To facilitate interagency coordination in the flow of intelligence and the conduct of joint operations, Mexico’s security forces have also set up six “Fusion Centers,” for sharing and acting on information across different services and government agencies. All of the Fusion Centers are operated by CISEN.[7] Two are located in Naval facilities, three on Army bases, and one in CISEN Headquarters.

Beyond the interagency Fusion Centers, the Navy has established a special “Naval Intelligence Unit,” which has reportedly provided significant help in actions against high-value leadership targets within the cartels.[8]

The federal police was placed under the control of the interior ministry (*Gobernación*) by President Peña Nieto, which appears to have facilitated inter-agency coordination between the police and other government entities. However, there are some concerns that the reorganization has also politicized the organization. These concerns arise because the new agency supervising the federal police, *Gobernación*, has an implicit role in

maintaining political harmony and coordination between the national and state governments, and since its current head, Miguel Ángel Osorio Chong, is a longstanding senior politician and governor within the ruling party, the PRI.

Beyond the reassignment of the federal police to the *Gobernación*, the head of the police, Enrique Francisco Galindo Ceballos, who was appointed in 2012, receives high marks for his technical competence and experience with organized crime. The organization itself has been subject to increased confidence testing and internal purges and is generally regarded as having improved during the Peña Nieto sexenio, yet it continues to be regarded as inefficient, corrupt, and profoundly infiltrated by organized crime.

In addition to the federal police, Mexico's national intelligence organization, CISEN, is also subordinate to *Gobernación*. The organization is widely regarded in Mexico to have excessive focus on internal political intelligence, reflecting its long-standing historical role as an instrument of the ruling PRI. CISEN is also seen to have a headquarters bureaucracy that is too large and inefficient relative to its cadre of experienced analysts and field agents. Mexicans who know of the organization also note that it lacks the capability for gathering foreign intelligence, explaining that doing so would run counter to the country's historical vision of itself as a state free from foreign antagonisms. As a result of this position, however, CISEN has limited visibility into the foreign activities (e.g., in the United States and Central and South America) of the criminal groups operating within its territory.

With respect to the office of the Attorney General (PGR), the organization's leader, Arely Gómez González, appointed in February 2015 to replace Jesús Murillo Karam,[9] has been widely praised for her previous work against kidnapping.[10] Yet, the PGR itself received mixed reviews, regarded as stronger in building cases against individual criminals than in collecting intelligence against criminal organizations through its investigative organ, the *Agencia de Investigación Criminal*.[11]

The PGR also has a special division for collecting and analyzing intelligence on organized crime, *Centro Nacional de Planeación, Analisis e Información* (CENAPI), which is reportedly relatively capable, yet receives little public attention, despite being staffed by an estimated 1,200 persons nationwide.

Mexican officials also believe that the PGR faces a critical test during the current year, as the nation moves to an adversarial system of justice, which will change the adequacy of the PGR's preparations in moving to the new system.

Within the Mexican Treasury Department (*Hacienda*), one important tool in the fight against organized crime is the Financial Intelligence Unit (UIF). Despite the importance of identifying and attacking the assets and financial flows of criminal organizations through entities such as the UIF, the organization remains relatively small, and its coordination with the U.S. Treasury and relevant financial institutions around the world remains very preliminary.

With respect to the nation's penitentiary system, despite of (and in part in reaction to) multiple highly-publicized escapes from federal prison by "El Chapo" Guzman, head of the *Sinaloa* cartel, the nation's federal penitentiary system has also made important advances. These include the integration of improvements and modern prisoner control technologies in approximately half of the 21 penitentiaries in the federal system, as well as the completion of new prisons to alleviate overcapacity (funded in part by resources from the United States under the Merida Initiative). Mexico has also established new organizations to professionalize its system of prison administration.

While problems persist in Mexico's federal prison system, the challenges are arguably greater in the separate penitentiaries for non-federal crimes run by the nation's 32 states. Although leaders of transnational criminal groups accused of serious crimes may be housed in the state system pending decisions on their transfer to federal prisons, state prisons have received less attention and funding than their federal counterparts, and have not benefitted from the attention given to federal prisons after the escapes of El Chapo Guzman. Indeed, although not widely understood, Mexico's most recent major incident, the death of 49 people in a riot, involved an overcrowded state-level facility in Nuevo Leon, Topo Chico, not a federal-level prison.[12]

Complementing efforts within the PGR and the federal prison system, Mexico is also moving toward a new U.S.-style "adversarial" system of justice, scheduled to begin functioning in certified jurisdictions in May 2016. Although there are widespread concerns within the country about whether its institutions, lawyers, judges, and law schools are fully ready for the transition, it is hoped that as an increasing number of localities are certified in and begin implementing the new system. The new system will help reduce the enormous backlog of people in pre-trial detention, as well as to help resolve minor cases more efficiently in order to concentrate on more serious offenders.

Beyond the federal government, Mexican states have also made limited progress in combatting organized crime. Following the failure of a 2014 government attempt to reform the constitution to place the nation's 1,800 municipal police forces under the control of its 32 state governments,[13] the Peña Nieto regime sought to use federal leverage over those states through its funding authority to force them to assume control over those local police forces, albeit with mixed results. Some states, such as wealthy Nuevo Leon, have done so with relative success. Others, such as the State of Mexico, have

not. Moreover, there has been considerable variation in the way the state authorities have imposed control over municipalities with respect to the centralization of administration, confidence testing, and/or salaries, in order to realize the required "unified command."

U.S. support to Mexico in the fight against organized crime under the Merida Initiative has amounted to almost $2.3 billion since 2008,[14] including training and intelligence support, as well as efforts to help the country build advanced riverine naval stations to secure its southern border. Yet some of the most significant assistance from the United States has not been donations, but rather, between $1-$2 billion in sales of military equipment to the Mexican Army and Navy, including Black Hawk helicopters and over 3,000 high-mobility multi-purpose wheeled vehicles (HMMWV).[15]

Efforts by the Mexican government, as described in the preceding paragraphs, in coordination with the United States and others, have contributed to the evolution of the security situation in the country, even if the level of improvement has been debatable.

Even with the re-arrest of El Chapo Guzman, the *Sinaloa* cartel continues to be the wealthiest of the Mexican cartels with the greatest international reach, thanks in part to its decentralized organizational structure and its posture of minimizing confrontation with the government.

In the North of Mexico, longstanding cartels such as the *Arellano Felix* organization, centered in Tijuana, and the *Carrillo Fuentes* organization, centered in Ciudad Juarez, continue to operate in areas otherwise dominated by the *Sinaloa* cartel, possibly reflecting a temporary accommodation with their far wealthier, more internationally connected competitor.

The recently emergent *Jalisco Nuevo Generación*, the nature of whose affiliation with *Sinaloa* is subject to some uncertainty, is arguably the Mexican cartel that has expanded most rapidly. It has successfully invaded the territory of, and badly damaged, multiple other cartels, including the *Caballeros Templarios* organization and *Los Zetas*. Due to its focus on the importation of precursor chemicals from Asia for the production of synthetic drugs, *Jalisco Nuevo Generación* has international connections comparable to those of *Sinaloa*, but with a more aggressive posture toward the government and a greater concentration on synthetic drugs. In recognition of its resources and reach, as well as its demonstrated ability to conduct sophisticated operations in broad portions of the country, including the ambush and murder of 15 federal police officers and the downing of an Air Force helicopter,[16] *Jalisco Nuevo Generación* has been categorized by the U.S. Treasury Department as one of Mexico's most powerful cartels.[17]

With the expansion of *Jalisco Nuevo Generación,* and the fractionalization of the Beltran Leyva organization into *Los Rojos* and *Los Guerreros Unidos*, Mexico's southwest has become a particularly troubled area, particularly the state of Guerrero, where five major groups are contesting for control. The problem in the region is compounded by the expansion of heroin production there, driven in part by expanding demand in the United States. It is further exacerbated by the importance of ports in the region for the importation of precursor chemicals for the production of synthetic drugs, including Lazaro Cardenas in Michoacán, and Manzanillo, in Colima.

The threat from competing criminal groups is also expanding toward the east, where organized crime presence is felt in both Morelos and the State of Mexico, which together encircle the nation's capital, Mexico City.

On the Gulf coast of Mexico, and particularly in the state of Tamaulipas, the resurrection of the Gulf Cartel—although divided into factions—in tandem with the rebuilding of the *Zetas* organization, has created problems in the strategically valuable area.

In the Yucatan Peninsula, the southeastern state of Quintana Roo, including the resort city of Cancun, has historically been an entry point for drugs from the Caribbean and a major human trafficking area. Yet recently, this area has suffered even greater levels of violence due in part to struggles between groups over routes through the region.

Finally, a number of parts of Mexico have conspicuously suffered less violence than their surrounding territories. These include the states of Yucatan and Puebla, which some speculate benefit from tacit agreements between cartels to leave "off-limits" areas in which the families of cartel members live.

Beyond the major criminal groups described in the preceding paragraphs, the strategic landscape of the country also continues to be altered by the disintegration of some cartels into factions, including BLO and the Gulf Cartel. This problem has been compounded by the proliferation of gangs, in some cases to serve as local "armies" for the cartels, as well as the growth of a separate, only loosely overlapping set of gangs within the Mexican prison system. In addition, new entrepreneurial groups of criminals, such as *La Nueva Familia* in Michoacán,[18] continue to assert themselves, and frequently, are beaten down by established groups in what is frequently misreported as the "settling of scores."

A nuanced assessment of Mexico's fight against transnational organized crime suggests that the struggle is not being won, yet neither is it being lost.

The factors that could most significantly impact the problem in a positive way, such as a significant reduction in U.S. drug demand, does not appear likely in the near term, although a truth not widely recognized in Mexico is that the United States is indeed spending a significant amount of money on demand reduction.[19]

In the near term, the key centers of gravity on the Mexican side are arguably the resources of the transnational criminal organizations, corruption and impunity, and political will. There is arguably room for the United States to greatly expand its technical assistance to Mexico through entities such as the UIF and intelligence collaboration to better identify and act against the revenue streams and ill-gotten wealth of Transnational Organized Crime (TOC) groups and their leaders.

Similarly, while respecting Mexican sovereignty, there is room for the United States to expand intelligence, vetting, and control systems to help Mexico purge corruption from and restore public faith in its institutions.

With respect to U.S. engagement, Mexico is less in need of money than access to U.S. technology, quality training, and intelligence support that is provided in a predictable fashion in an environment of reciprocity and mutual respect.

In working more effectively with the Mexican government, trust will continue to be a key impediment. The Mexican Navy has historically had a closer relationship with the U.S. military than has the Mexican Army. Arguably, the disproportionate share of major successes that the Mexican Navy has had in operations against TOC reflects the fruits of such collaboration, particularly with respect to intelligence sharing.

The Mexican Army, despite the relationship of respect and friendship between its head, General Cienfuegos, and the Commander of U.S. Army North, Lieutenant General Perry Wiggins, continues to be more guarded than the Navy's relationship with its U.S. counterpart. With historical antecedents from the Mexican-American War, to the 1916-17 punitive expedition into Mexico in pursuit of Pancho Villa, to the hostile anti-Mexico rhetoric of current Republican presidential frontrunner Donald Trump, the Mexican Army is not without reasons for distrust.

Yet the stability and prosperity of the U.S. neighbor to the south is too important for success to be derailed by such mistrust. U.S. intelligence, training, and technology arguably offer a key vehicle by which Mexico's government can reach a critical threshold in going after the resources that comprise the center of gravity for Mexico's criminal groups and the external lever for controlling the corruption that is the key impediment to its response. The Mexican Army, and other parts of the Mexican government, must be willing to pursue a more open collaboration with the United States. But the United States, in turn, must respect them and show itself to be a reliable partner. Actions such as the

October 2015 U.S. suspension of $5 million in previously committed funding for the Merida Initiative to show disapproval over the human rights situation in the country[20] do not help to advance such a relationship of trust.

Pope Francis's visit to Mexico brought a message of hope to a Mexican people wary of a decade of open warfare against organized crime and cynical toward the country's leadership and institutions. While the international spotlight has already passed from the visit to focus on competing international crises in Asia, the Middle East, and elsewhere, Mexico's economic, human, and geographic bond to the United States remains. The United States and Mexico must not turn away from their shared work against TOC, and the stability and prosperity of both countries.

ENDNOTES

1. The author is Professor of Latin American Studies at the U.S. Army War College Strategic Studies Institute. The views expressed in this article are strictly his own. The author thanks all of those in Mexico and the United States who provided their time and insights for this work, including Iñigo Guevara, Patricia Escamilla-Hamm, Arturo Sarukhan, Yadira Galvez, Paulino Jimenez, Guillermo Garduño Valero, Hector Sanchez, Felix Aragon, Maria Parraguez, Jose Fernendez Santillan, Noe Cuervo, Mario Vela, Jorgez Vasquez Zarate, and Horacio Fourzan, among others.

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