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Mexico: Organized Crime and Drug Trafficking Organizations

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Summary

Reversing a fairly robust record of capturing and imprisoning leaders of Mexico's drug trafficking organizations (DTOs), the escape of notorious cartel leader Joaquín "El Chapo" Guzmán on July 11, 2015, was a huge setback for the Mexican government already beleaguered by charges of corruption and low approval ratings. Mexico's efforts to combat drug traffickers have touched all of the major organizations that once dominated the illicit drug trade: for example, the February 2014 capture of Guzmán who leads Sinaloa, Mexico's largest drug franchise; top leaders of Los Zetas in 2013 and March 2015; the October 2014 arrests of Hector Beltrán Leyva of the Beltrán Leyva Organization and, later, of Vicente Carrillo Fuentes of the once-dominant Juárez cartel.

The DTOs have been in constant flux in recent years. By some accounts, in December 2006 there were four dominant DTOs: the Tijuana/Arellano Felix organization (AFO), the Sinaloa cartel, the Juárez/Vicente Carillo Fuentes organization (CFO), and the Gulf cartel. Since then, the more stable large organizations have fractured into many more groups. In recent years, the U.S. Drug Enforcement Administration (DEA) identified the following organizations as dominant: Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, and La Familia Michoacana. In some sense, these might be viewed as the "traditional" DTOs. However, many analysts suggest that those 7 seem to have now fragmented to 9 or as many as 20 major organizations.

Several analysts estimate there have been at least 80,000 homicides linked to organized crime since 2006. Few dispute that the annual tally of organized crime-related homicides in Mexico has declined since 2011, although there is disagreement about the rate of decline. It appears that the steep increase in organized crime-related homicides during the six-year administration of Mexican President Felipe Calderón (2006-2012) is likely to trend down far more slowly than it rose. The Mexican government no longer publishes data on organized crime-related homicides. However, the government reported the rate of all homicides in Mexico has declined by 30% since 2012 (roughly 15% in 2013, and another 15% in 2014). Although murder rates have diminished, the incidence of other violent crimes targeting Mexican citizens, such as kidnapping and extortion, has increased through 2013 and stayed elevated. Notably, questions about the accuracy of the government's crime statistics persist.

Former President Calderón made his aggressive campaign against the DTOs a defining policy of his government, which the DTOs violently resisted. Operations to eliminate DTO leaders sparked organizational change that led to significantly greater instability among the groups and continued violence. Since his inauguration in December 2012, Mexican President Enrique Peña Nieto has faced an increasingly complex crime situation. The major DTOs have fragmented, and new crime groups have emerged. Meanwhile, the DTOs and other criminal gangs furthered their expansion into other illegal activities, such as extortion, kidnapping, and oil theft, and the organizations now pose a multi-faceted organized criminal challenge to governance in Mexico no less threatening to the rule of law than the challenge that faced Peña Nieto's predecessor. According to the Peña Nieto Administration, 93 of the 122 top criminal targets that their government has identified have been arrested or otherwise "neutralized" (killed in arrest efforts) as of May 2015, although Guzmán's escape confounds that achievement.

Congress remains concerned about security conditions inside Mexico and the illicit drug trade. The Mexican DTOs are the major wholesalers of illegal drugs in the United States and are increasingly gaining control of U.S. retail-level distribution through alliances with U.S. gangs. This report provides background on drug trafficking and organized crime inside Mexico: it identifies the major DTOs, and it examines how the organized crime "landscape" has been

significantly altered by fragmentation. For more background, see CRS Report R42917, *Mexico: Background and U.S. Relations*, CRS Report IF10160, *The Rule of Law in Mexico and the Mérida Initiative*, and CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*.

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Introduction

Mexico's brutal drug trafficking-related violence has been dramatically punctuated by beheadings, public hanging of corpses, killing of innocent bystanders, car bombs, torture, and assassination of numerous journalists and government officials. Beyond the litany of these brazen crimes, the violence has spread from the border to Mexico's interior—for example, flaring in the Pacific states of Michoacán and Guerrero. In 2014, new hot spots emerged, including the state of Jalisco, where Mexico's second-largest city, Guadalajara, is located, and the central state of Mexico, while the border state of Tamaulipas stayed violent. Organized crime groups have splintered and diversified their crime activities, turning to extortion, kidnapping, auto theft, human smuggling, resource theft, retail drug sales, and other illicit enterprises. These crimes are often described as more "parasitic" for local populations and more costly.

At the end of President Calderón's term in late 2012, several observers maintained that some 60,000 organized crime-related killings had occurred during his tenure, depending on the source cited. Some analysts, such as those at the Justice in Mexico Project at the University of San Diego, also began to report total intentional homicides in part because the government stopped reporting its estimates of organized crime-related killings. Drawing on data from Mexican government agencies, the Justice in Mexico Project maintained that between 120,000 to 125,000 people were killed (all homicides) during the Calderón Administration, with a gradual decline beginning after 2011.

Addressing the question of whether violence (as measured by the number of intentional homicides) has continued to decline, Justice in Mexico reports that total homicides in Mexico fell by close to 14% in 2014 from the level in 2013, which also had fallen by "approximately 15%" from the prior year, according to data collected by the Mexican National Security System (SNSP).[1] The authors praise the apparent decline, but cite the worsening perception of insecurity in Mexico, concern over key cases involving Mexican military and police, and the still elevated rates of violence and crime.

Because casualty estimates are reported differently by the Mexican government from the media outlets that track the violence, there is some debate on exactly how many have perished.[2] This report conveys government data, but it has not usually been reported promptly or completely. For example, the Calderón government released tallies of "organized-crime related" homicides through September 2011. The Peña Nieto government briefly resumed issuing such estimates, but did not in 2014. Although precise tallies diverged, the trend during President Calderón's tenure was a sharp increase in the number of homicides related to organized crime through 2011, when it

[1] Kimberly Heinle, Cory Molzahn, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2014*, Justice in Mexico Project, University of San Diego, April 2015; Kimberly Heinle, Octavio Rodriguez, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2013*, Justice in Mexico Project, University of San Diego, April 2014. These annual reports synthesize Mexican government data from its National Institute of Statistics, Geography, and Information (INEGI) and Mexico's National Security System (SNSP). The SNSP data for 2013 and 2014 indicate an approximate decline of 15% for both 2013 and 2014 for intentional homicides in Mexico, while the INEGI information, which is reported later, tends to be lower in part because it measures a slightly different data set of all homicides derived by a different methodology.

[2] The Mexican news organizations, *Reforma* and *Milenio*, also keep a running tally of "narco-executions." For 2014, *Reforma* reported only 6,400 such killings, the lowest they have reported since 2008, while *Milenio* reported there were 7,993 organized crime-related murders. Ibid., (Heinle, Molzahn, and Shirk, April 2015).

started a slight decline. Nevertheless, several analysts estimate from 2006 through 2015 that more than 80,000 organized crime-related killings have taken place in Mexico.

Violence is an intrinsic feature of the trade in illicit drugs. Violence is used by traffickers to settle disputes, and a credible threat of violence maintains employee discipline and a semblance of order with suppliers, creditors, and buyers.[3] This type of drug trafficking-related violence has occurred routinely and intermittently in U.S. cities since the early 1980s. The violence now associated with drug trafficking organizations in Mexico is of an entirely different scale. In Mexico, the bloodletting is not only associated with resolving disputes or maintaining discipline, but has been directed toward the government, political candidates, and the news media. Some observers note that the excesses of some of Mexico's violence might even be considered exceptional by the typical standards of organized crime.[4] Yet, Mexico's homicide rate is not exceptional in the region, where many states are plagued by violent crime.

President Calderón made an aggressive campaign against crime groups, especially the large drug trafficking organizations (DTOs), the central focus of his Administration's policy. He sent several thousand Mexican military troops and federal police to combat the organizations in drug trafficking "hot spots" around the country. His government made some dramatic and well-publicized arrests, but few of those captured "kingpins" were effectively prosecuted. Between 2007 and 2012, as part of much closer U.S.-Mexico security cooperation, the Mexican government significantly increased extraditions to the United States, with majority of the suspects wanted by the U.S. government on drug trafficking and related charges. The number of extraditions peaked in 2012 and has declined since President Peña Nieto took office. The confrontation with organized crime also produced a violent reaction by the trafficking organizations, and violence soared through 2011. (According to the estimates of the Justice in Mexico project, approximately 16,400 organized crime-related homicides took place in 2011). Another result of this "militarized" strategy was an increase in accusations of human rights violations against the Mexican military, which was largely untrained in domestic policing.

When President Peña Nieto took office in December 2012, he had indicated he would take a new direction in his security policy: more focused on reducing criminal violence that affects civilians and businesses and less oriented toward removing the leadership of the large DTOs. His then-attorney general, Jesus Murillo Karam, said in 2012 that Mexico faced challenges from some 60 to 80 crime groups operating in the country whose proliferation he attributed to the kingpin strategy of the Calderón government.[5] Despite the commitment to shift the focus of the government's strategy, several analysts have noted a significant continuity with Calderón's security approach.[6] The Peña Nieto government has continued the military and federal police

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

[4] See, for example, Vanda Felbab-Brown, *Peña Nieto's Piñata: The Promise and Pitfalls of Mexico's New Security Policy Against Organized Crime*, Brookings Institution, February 2013.

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

[6] CRS Report R42917, *Mexico: Background and U.S. Relations*, by (name redacted); Vanda Felbab-Brown, *Changing the Game or Dropping the Ball? Mexico's Security and Anti-Crime Strategy Under President Peña Nieto*, Latin American Initiative, Brookings, November 2014. Velbab-Brown maintains that the government of Peña Nieto "has largely slipped into many of the same policies of President Felipe Calderón."

deployments to combat the DTOs, but recentralized control over security in Mexico's interior ministry.

President Peña Nieto streamlined cooperation with the United States under the Merida Initiative that began during President Calderón's term. The Mérida Initiative, a bilateral anti-crime assistance package launched in 2008, initially focused on providing Mexico with hardware, such as planes, scanners, and other equipment, to combat the DTOs. The $2.4 billion effort (through 2014) shifted in recent years to focus on police and judicial reform, including training at the local and state level, and preventative policies. Thus far, about $1.5 billion of the Mérida Initiative funding has been delivered.[7] After some reorganization of cooperation efforts, the Peña Nieto government continued the Mérida programs.

In 2014, the Peña Nieto Administration implemented another security strategy element promised during his presidential campaign: standing up a national militarized police force or *gendarmarie.* The scope of the force implemented in August 2014 was significantly scaled back from its original proposed size of 40,000. About 5,000 officers were added to the federal police force (around 36,000 in size) with a mission of protecting citizens from crime and shielding their economic and industrial activities from harm, such as defending vital petroleum infrastructure in northeast Mexico. Several observers maintain that the distinct purpose of the gendarmerie has not been clarified nor followed. Gendarmerie deployments in such hot spots such as Michoacán and Iguala, Guerrero—where 43 teaching trainees disappeared in September 2014—have not, according to some observers, followed their mandate closely.[8]

Congressional Concerns

Mexico's stability is of critical importance to the United States, and the nature and the intensity of the violence has been of particular concern to the U.S. Congress. Mexico shares a nearly 2,000-mile border with the United States and has close trade and demographic ties. In addition to U.S. concern about this strategic partner and close neighbor, policymakers have been concerned that the violence in Mexico could "spill over" into U.S. border states (or further inland) despite beefed up security measures. According to the 2011 *National Drug Threat Assessment* prepared by the U.S. Department of Justice, the potential harm from Mexico's criminal groups is formidable. Mexican DTOs, according to the 2011 report, "dominate the supply and wholesale distribution of most illicit drugs in the United States" and are present in more than 1,000 U.S. cities.[9]

From the 111th through the 113th Congresses, Members convened numerous hearings dealing with the violence in Mexico, U.S. foreign assistance, and border security issues. Congressional

[7] For more background, see CRS Report IF10160, *The Rule of Law in Mexico and the Mérida Initiative*, by (name redacted), and CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by (name redacted) and (name redacted).

[8] See discussion in Kimberly Heinle, Cory Molzahn, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2014*, Justice in Mexico Project, April 2015. Vanda Felbab-Brown, "El Chapo's Escape Signals That Things Must Change for Mexican Crime Policy," Brookings Brief, Brookings Institution, July 13, 2015. This article maintains standing up the gendarmerie distracted the Peña Nieto government from following through on other aspects of police reform.

[9] U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment: 2011*, August 2011, http://www.justice.gov/ndic/pubs44/44849/44849p.pdf, hereinafter referred to as the NDTA. The NDTA 2011 estimated that the Mexican DTOs maintain drug distribution networks in 1,000 cities across the United States.

concern heightened after U.S. consulate staff and security personnel working in Mexico came under attack, and some were killed.[10] Following a July 2010 car bombing allegedly set by a drug trafficking organization in Ciudad Juárez, Chihuahua (killing four), additional car bombs attributed to the DTOs have been exploded in border states and elsewhere. Occasional use of car bombs, grenades, and rocket-propelled grenade launchers—such as the one used to bring down a Mexican army helicopter in May 2015, killing seven soldiers—continue to raise concern that some Mexican drug traffickers may be adopting insurgent or terrorist techniques. Some observers have warned that novel technologies have been used to adapt weaponry, ranging from armored "narco trucks" to untraceable self-assembled high powered rifles.[11]

Congress has expressed its concern over the violence in Mexico by enacting resolutions and considering legislation. The 114th Congress continues to assess how the Peña Nieto government in tandem with the U.S. government are addressing the illicit drug trade, heightened related violence in Mexico, and the effect of drug trafficking and violence on U.S.-Mexico security. In June 2015, for example, a bipartisan letter of concern asked Secretary of State John Kerry to examine criminal violence in Mexico as a threat to U.S. personnel working in Mexican consulates.[12] A provision of the National Defense Authorization Act of 2016 under consideration in July 2015 would require the U.S. Secretary of Defense to report on violence and cartel activity in Mexico as it affects U.S. national security.[13]

[10] Richard Faussett, "Mexico Under Siege; Mexico May Be Losing War on Dirty Cops; President Calderon Vowed to Create a Trustworthy Federal Police. Now Citizens Scoff at the Notion," *Los Angeles Times*, August 30, 2012; Randal, "Some observers contend that standing up the force distracted the Peña Nieto government from following through on other aspects of police reform"; C Archibold and Karla Zabludovsky, "Mexico Detains 12 Officers in Attack on Americans in Embassy Vehicle," *New York Times*, August 28, 2012; Michael Weissenstein and Olga R. Rodriguez, "Mexican Cops Detained in Shooting of US Government Employees that Highlights Police Problems," Associated Press, August 27, 2012.

[11] Ioan Grillo, "Mexican Cartels Invent Ingenious Weapons to Help Battle Government," *Time*, April 29, 2015. This article warns that the crime groups in Mexico may use drones or new printing technologies in the future to improve their arms and trafficking capabilities. See also Robert J. Bunker and John P. Sullivan, *Crime Wars and Narco-Terrorism in the Americas: A Small Wars Journal-El Centro Anthology* (iUniverse, 2014).

[12] Representative Jason Chaffetz and Representative Filemon Vela, letter to U.S. Secretary of State John Kerry, June 4, 2015, at https://www.documentcloud.org/documents/2093425-2015-06-04-jc-vela-hsc-to-kerry-dos-mexico.html.

[13] See National Defense Authorization Act FY2016 (the House-passed version of H.R. 1735), Section 1275.

Figure 1. Map of Mexico

Source: CRS.

Crime Situation in Mexico

The splintering of the large DTOs into competing factions and gangs of different sizes took place over several years. The development of these different crime groups, ranging in scope from transnational criminal organizations to small local mafias with certain trafficking or other crime specialties, has made the crime situation even more diffuse and their criminal behavior harder to eradicate, according to some analysts. The large organizations or DTOs that tended to be hierarchical, often bound by familial ties, and led by hard-to-capture cartel kingpins, have been replaced by flatter and more nimble organizations that tend to be loosely networked. Far more common in the present crime group formation is the outsourcing of certain aspects of trafficking. The myriad of smaller organizations resist the imposition of norms to limit violence. The growth of rivalries among a greater number of organized crime "players" has produced continued violence; albeit in some cases "less able to threaten the state and less endowed with impunity."[14]

[14] Patrick Corcoran, "Mexico Government Report Points to Ongoing Criminal Fragmentation," *In Sight Crime: Organized Crime in the Americas*, April 14, 2015.

However, even the larger organizations (Sinaloa, for example) that have adopted a cellular structure may still try to protect their leadership as in the recent orchestrated escape of the world's most wanted drug kingpin, El Chapo Guzmán.

The scope of the violence generated by Mexican crime groups has been difficult to measure due to restricted reporting by the government and attempts by crime groups to mislead the public. The criminal actors either publicize their crimes in garish displays intended to intimidate their rivals, the public, or security forces. They may also attempt to attribute their crimes to other actors, such as a competing cartel, or they cover up the homicides they commit. For example, some shootouts are simply not reported as a result of media self-censorship or because the bodies disappear.[15] Forced disappearances in Mexico have become a growing concern, and there has been only a limited effort to tabulate an accurate count of the missing or disappeared, a problem that is exacerbated by underreporting. Although the Peña Nieto Administration has worked on this issue for a couple of years, widely varying estimates continue to be released by the government. In late 2014, for instance, the government reported approximately 23,605 cases of disappearances, of which 40% took place during the Peña Nieto Administration. However, in the case of the missing students in Iguala, Guerrero, the police and investigators searching for the students' remains found scores of unmarked mass graves containing bodies that had previously not been counted.[16]

Background on Drug Trafficking in Mexico

Drug trafficking organizations have operated in Mexico for more than a century. The DTOs can be described as global businesses with forward and backward linkages for managing supply and distribution in many countries. As businesses, they are concerned with bringing their product to market in the most efficient way in order to maximize their profits. The Mexican DTOs are the major wholesalers of illegal drugs in the United States and are increasingly gaining control of U.S. retail-level distribution through alliances with U.S. gangs. Their operations, however, are markedly less violent in the United States than in Mexico, despite their reported presence in multiple U.S. jurisdictions.[17] The DTOs use the tools of bribery and violence, which are complementary. Violence is used to discipline employees, enforce transactions, limit the entry of competitors, and coerce. Bribery and corruption help neutralize government action against the DTOs, ensure impunity, and facilitate smooth operations.

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

[16] James Bargent, "2014: A Record Year for Disappearances in Mexico," *In Sight Crime: Organized Crime in the Americas*, November 20, 2014.

[17] The NDTA, February 2010, states, "Direct violence similar to the violence occurring among major DTOs in Mexico is rare in the United States." For a discussion of why the violence has not spread into the United States, see CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*, by (name redacted).

The proceeds of drug sales (either laundered or as cash smuggled back to Mexico) are used in part to corrupt U.S. and Mexican border officials,[23] Mexican law enforcement, security forces, and public officials to either ignore DTO activities or to actively support and protect them. Mexican DTOs advance their operations through widespread corruption; when corruption fails to achieve cooperation and acquiescence, violence is the ready alternative.

Police corruption has been so extensive that law enforcement officials corrupted or infiltrated by the DTOs and other criminal groups sometimes carry out their violent assignments. Purges of Mexico's municipal, state, and federal police have not contained the problem. Mexico's federal police, which grew from a force of 6,500 to 37,000 under the Calderón government and received training from the Mérida Initiative, were implicated in two incidents in 2012 (see text box).

Issues with Corruption in Law Enforcement

In June 2012, federal police officers shot and killed three of their colleagues at Mexico City's international airport, reportedly at the bidding of a DTO. In August 2012, following the ambush of two U.S. law enforcement officers and a colleague from the Mexican navy, 12 Mexican Federal Police officers were arrested and charged with attempted murder.[18] More recently, in the incident in Iguala, Guerrero, involving the disappearance and probable murder of 43 college students in September 2014, allegedly carried out by a local police force that turned the students over to a Mexican crime group, *Guerreros Unidos,* working in collaboration with a corrupt local mayor and his wife.[19]

Arrests of police and other public officials accused of cooperating with the DTOs have rarely been followed by convictions, although some prominent cases involving official corruption have achieved results. Mexico's military, especially the army, have been accused of torture and extrajudicial killings in their internal security activities, such as the massacre in July 2014 of some 22 people in Tlatlaya, Mexico, resulting in the arrest of several soldiers and an army lieutenant. In January 2015, the government reported that more than 90 people were detained and charged for their alleged involvement in the Iguala student disappearances case that took place several months earlier.[20] In May 2015, Iguala's deputy police chief was arrested and identified as a mastermind of the decision to turn the students over to the drug cartel.[21]

In the recent prison escape of El Chapo Guzmán in 2015, scores of Mexican prison personnel in the maximum security Altiplano prison have been scrutinized as likely collaborators. Several analysts suggested that Guzmán may have received assistance from the highest levels of the government and from within the prison hierarchy. In a public appearance shortly after the prison break, Mexico's Minister of Interior Miguel Angel Osorio Chong announced that prison officials had to have been involved and that Antiplano's warden had been fired.[22]

The relationship of Mexico's drug traffickers to the government and to one another is now a rapidly evolving picture and any current snapshot (such as the one provided in this report) must be continually adjusted. In the early 20th century, Mexico was a source of marijuana and heroin to the United States, and by the 1940s, Mexican drug smugglers were notorious in the United States.

[18] For a discussion of both incidents see Op. cit., *Peña Nieto's Challenge: Criminal Cartels and Rule of Law in Mexico*. In addition, see Michael Weissenstein and Olga R. Rodriguez, "Mexican Cops Detained in Shooting of U.S. Government Employees That Highlights Police Problems," Associated Press, August 27, 2012.

[19] Steven Dudley and David Gagne, "Iguala Massacre: Mexico's PR Message Goes Up in Flames," *InSight Crime: Organized Crime in the Americas*, November 10, 2014.

[20] Randal C. Archibold, "Mexico Official Declares Missing Students Dead," *New York Times*, January 28, 2015.

[21] Juan Diego Quesada, "Mexican Police Capture One of the Masterminds Behind Iguala Massacre," *El Pais*, May 8, 2015.

[22] "Mexico Says Officials Must Have Helped Drug Lord Guzman Escape," Reuters, July 13, 2015; "México Dice que El Chapo Necesitó 'la Complicidad del Personal" de la Cárcel," Univision, July 13, 2015, at http://noticias.univision.com/article/2399872/2015-07-13/mexico/noticias/el-chapo-osorio-chong-mensaje.

[23] For further discussion of corruption of U.S. and Mexican officials, see Loren Riesenfeld, "Mexico Cartels Recruiting US Border Agents: Inspector General," *InSight Crime: Organized Crime in the Americas*, April 16, 2015; CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by (name redacted) and (name re dacted).

The growth and entrenchment of Mexico's drug trafficking networks occurred during a period of one-party rule in Mexico by the Institutional Revolutionary Party (PRI), which governed for 71 years. During that period, the government was centralized and hierarchical, and, to a large degree, it tolerated and protected some drug production and trafficking in certain regions of the country, even though the PRI government did not generally tolerate crime.[24] According to numerous accounts, for many years the Mexican government pursued an overall policy of accommodation. Under this system, arrests and eradication of drug crops took place, but due to the effects of widespread corruption the system was "characterized by a working relationship between Mexican authorities and drug lords" through the 1990s.[25]

The stability of the system began to fray in the 1990s as Mexican political power decentralized and the push toward democratic pluralism began first at the local level and then nationally with the election of the National Action Party (PAN) candidate, Vicente Fox, as president in 2000.[26] The process of democratization upended the equilibrium that had developed between state actors (such as the Federal Security Directorate that oversaw domestic security from 1947 to 1985) and organized crime. No longer were certain officials able to ensure the impunity of drug traffickers to the same degree and to regulate competition among Mexican DTOs for drug trafficking routes, or *plazas*. To a large extent, DTO violence directed at the government appears to be an attempt to reestablish impunity, while the inter-cartel violence seems to be attempts to reestablish dominance over specific drug trafficking plazas. The intra-DTO violence (or violence inside the organizations) reflects reaction to suspected betrayals and the competition to succeed killed or arrested leaders.

Before this political development, an important transition in the role of Mexico in the international drug trade took place during the 1980s and early 1990s. As Colombian DTOs were forcibly broken up, the highly profitable traffic in cocaine to the United States was gradually taken over by Mexican traffickers. The traditional trafficking route used by the Colombians through the Caribbean was shut down by intense enforcement efforts of the U.S. government. As Colombian DTOs lost this route, they increasingly subcontracted the trafficking of cocaine produced in the Andean region to the Mexican DTOs, whom they paid in cocaine rather than cash. These already strong organizations gradually took over the cocaine trafficking business, evolving from being mere couriers for the Colombians to being the wholesalers they are today. As Mexico's drug trafficking organizations rose to dominate the U.S. drug markets in the 1990s, the business became even more lucrative. This "raised the stakes," which encouraged the use of violence in Mexico to protect and promote market share. The violent struggle between DTOs over strategic routes and warehouses where drugs are consolidated before entering the United States reflects these higher stakes.

Today the major Mexican DTOs are polydrug, handling more than one type of drug, although they may specialize in the production or trafficking of specific products. Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the principal transit country for cocaine sold in the United States.[27] The west coast state of Sinaloa (see **Figure 1**), which has a long coastline and difficult-to-access areas favorable for drug

[24] Astorga and Shirk, *Drug Trafficking Organizations and Counter-Drug Strategies*, p. 5.

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

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

[27] U.S. Department of State, *2011 International Narcotics Control Strategy Report (INCSR)*, March 2011.

cultivation, is the heartland of Mexico's drug trade. Marijuana and poppy cultivation has flourished in this state for decades.[28] It has been the source of Mexico's most notorious and successful drug traffickers.

According to the U.S State Department's *2015 International Narcotics Control Strategy Report* (*INCSR*), Mexico is a major producer of heroin, marijuana, and methamphetamine destined for the United States. It is also the main trafficking route for South American cocaine that is U.S.-bound from the major supply countries of Peru, Colombia, and Bolivia. Coca bush cultivation and cocaine production in Colombia—the country that supplies 95% of the cocaine to the U.S. market—has declined, and there has been an increasing flow of Colombian cocaine (sometimes via Mexico) to other regions such as West Africa, Europe, and Asia. The Mexican government eradicates both opium poppy (from which heroin is derived) and cannabis and increased its eradication of both plant-based drugs in 2014. With regard to synthetic drugs, Mexican seizures of methamphetamine jumped by almost 36% between 2013 and 2014 to 19.8 metric tons. According to the *2015 INCSR*, Mexican authorities seized 143 meth laboratories in 2014, up more than 11% from 2013.[29]

Evolution of Mexico's Major Drug Trafficking Organizations

The DTOs have been in constant flux in recent years.[30] By some accounts, when President Calderón came to office in December 2006, there were four dominant DTOs: the Tijuana/Arellano Felix organization (AFO), the Sinaloa cartel, the Juárez/Vicente Carillo Fuentes organization (CFO), and the Gulf cartel.

Since then, the more stable large organizations that existed in the earlier years of the Calderón Administration have fractured into many more groups. For several years, the U.S. Drug Enforcement Administration (DEA) identified the following organizations as dominant: Sinaloa, Los Zetas, Tijuana/AFO, Juárez/CFO, Beltrán Leyva, Gulf, and La Familia Michoacana. In some sense these might be viewed as the "traditional" DTOs. However, many analysts suggest that those 7 seem to have now fragmented to between 9 and as many as 20 major organizations. Today, fragmentation or "balkanization" of the major crime groups has been accompanied by diversification by many of the groups into other types of criminal activity. The following will focus on nine DTOs whose current status illuminates the great fluidity of all the DTOs in Mexico as they face new challenges from competition and changing market dynamics.

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

[29] U.S. Department of State, *2013 International Narcotics Control Strategy Report (INCSR)*, Vol. 1, March 2013. The total amount of methamphetamine seized by Mexico's authorities in 2012 was 30 metric tons.

[30] See Patrick Corcoran, "How Mexico's Underworld Became Violent," *In Sight Crime: Organized Crime in the Americas,* April 2, 2013. The article maintains that "... the activities and organization of the criminal groups operating in the clandestine industry have been in a state of constant flux. That flux, which continues today, lies at the heart of Mexico's violence."

Nine Major DTOs

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

The well-established Sinaloa DTO, with roots in western Mexico, has fought brutally for increased control of routes through the border states of Chihuahua and Baja California with the goal of becoming the dominant DTO in the country. Sinaloa has a more decentralized structure of loosely linked smaller organizations, which has been susceptible to conflict when units break away. Nevertheless, the decentralized structure has enabled it to be quite adaptable in the highly competitive and unstable environment that now prevails.[31]

Sinaloa survived the arrest of billionaire and founder Joaquin "El Chapo" Guzmán in February 2014. The federal operation to capture and detain Guzmán, which gained support from U.S. intelligence, was viewed as a major victory for the Peña Nieto government. Somewhat surprisingly, the legendary kingpin's arrest did not spawn a visible power struggle within the cartel's hierarchy or an increase in violence, as some analysts had anticipated. His escape in July 2015 has generated speculation about his plans for the future and if he will retire from his former role at the head of the Sinaloa organization and disappear as did Rafael Caro Quintero, another significant trafficker, after his premature release in 2013.[32] On the other hand, he may resume his former role at the head of Sinaloa. Both outcomes presume that he will not be caught in a few weeks and that his second escape from a Mexican prison turns out to be as successful as his first in 2001, which led to 13 years operating as a fugitive.

Finally, La Familia Michoacana—a DTO once based in the Pacific southwestern state of Michoacán and influential in surrounding states—split apart in early 2011. It eventually declined in importance as its successor, the Knights Templar, grew in prominence in the region known as the *"tierra caliente*" of Michoácan, Guerrero, and parts of neighboring states Colima and Jalisco (see map). A split off from Sinaloa, the Cartel Jalisco-New Generation (CJNG), also rose to prominence in the tierra caliente region between 2013 and 2015 and is now deemed by many analysts as a major Mexican cartel in the new criminal landscape. CJNG has increased in power with the decline of its enemy, the Knights Templar, targeted by the Mexican government in 2014. CJNG has reportedly expanded its influence to some nine Mexican states in 2015.[33]

From open-source research, there is more available information about the seven "traditional" DTOs (and their successors mentioned above). Current information about the array of new

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

[32] Karen McVeigh, "US 'Deeply Concerned' over Freeing of Mexico Drug Lord Rafael Caro Quintero," *The Guardian*, August 11, 2013.

[33] "May Day Mayhem," *Economist*, May 9, 2015; Juan Montes, "Deadly Mexican Cartel Rises as New Threat: President Peña Nieto Deploys Forces to Confront the New Generation Jalisco Cartel After a Spate of Violence," *Wall Street Journal Online*, May 13, 2015.

regional and local crime groups, numbering more than 45 groups, is more difficult to assess. The once-coherent organizations and their successors are still operating, both in conflict with one another and at times working in collaboration. A brief sketch of each of these nine major organizations, some of which are portrayed in the DEA Map in **Figure 2**, follows.

Figure 2. Map of DTO Areas of Dominant Influence by the U.S. Drug Enforcement Administration

Source: DEA, April 2015.

Notes: DEA uses the term "cartel" in place of DTO. Also, the DTO identified as the Knights Templar in the text of the report is labeled in the map key by its Spanish name, "Los Caballeros Templarios."

Tijuana/Arellano Felix Organization (AFO)

The AFO is a regional "tollgate" organization that has historically controlled the drug smuggling route between Baja California (Mexico) to southern California.[34] It is based in the border city of Tijuana. One of the founders of modern Mexican DTOs, Miguel Angel Felix Gallardo, a former police officer from Sinaloa, created a network that included the Arellano Felix family and numerous other DTO leaders (such as Rafael Caro Quintero, Amado Carrillo Fuentes, and Joaquín "El Chapo" Guzman). The seven "Arellano Felix" brothers and four sisters inherited the AFO from their uncle, Miguel Angel Felix Gallardo, after his arrest in 1989 for the murder of DEA Special Agent Enrique "Kiki" Camarena.[35]

The AFO was once one of the two dominating DTOs in Mexico, infamous for brutally controlling the drug trade in Tijuana in the 1990s and early 2000s.[36] The other was the Juárez DTO, also known as the Carrillo Fuentes Organization. The Mexican government and U.S. authorities took vigorous enforcement action against the AFO in the early years of the 2000s, with the arrests and killings of the five brothers involved in the drug trade—the last of whom was captured in Tijuana in 2008.

In 2008, Tijuana became one of the most violent cities in Mexico. That year, the AFO split into two competing factions when Eduardo Teodoro "El Teo" Garcia Simental, an AFO lieutenant, broke from Fernando "El Ingeniero" Sanchez Arellano (the nephew of the Arellano Felix brothers who had taken over the management of the DTO). Garcia Simental formed another faction of the AFO, reportedly allied with the Sinaloa DTO.[37] Further contributing to the escalation in violence, other DTOs sought to gain control of the profitable Tijuana/Baja California-San Diego/California plaza in the wake of the power vacuum left by the earlier arrests of the AFO's key players.

The 2010 arrest of Garcia Simental sharply reduced levels of violence in Tijuana, which have remained relatively low since. Some assert that the arrest created a vacuum for the Sinaloa DTO to gain control of the Tijuana/San Diego smuggling corridor.[38] Despite its weakened state, the AFO appears to have maintained control of the plaza through an agreement made between Sanchez Arellano and the Sinaloa DTO's leadership, in which Sinaloa and other trafficking groups pay a fee to use the plaza.[39] Other observers have lauded the relative peace in Tijuana as a

[34] John Bailey, "Drug Trafficking Organizations and Democratic Governance," in *The Politics of Crime in Mexico: Democratic Governance in a Security Trap* (Boulder: FirstForum Press, 2014), p. 121. For an explanation of a tollgate cartel or DTO, see **Table 1**.

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

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

[37] Steven Dudley, "Who Controls Tijuana?" *InSight Crime: Organized Crime in the Americas*, May 3, 2011. Sanchez Arellano, nephew of the founding Arellano Felix brothers, took control in 2006 after the arrest of his uncle, Javier Arellano Felix.

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

[39] Stratfor, *Mexico Security Memo: Torreon Leader Arrested, Violence in Tijuana*, April 24, 2013, http://www.stratfor.com/analysis/mexico-security-memo-torreon-leader-arrested-violence-tijuana#axzz37Bb5rDDg. In 2013, Nathan Jones at the Baker Institute for Public Policy asserted that the Sinaloa-AFO agreement allows those allied with the Sinaloa DTO, such as the Cártel Jalisco Nueva Generación, or otherwise not affiliated with Los Zetas to also (continued...)

law enforcement success, but it is unclear how large of a role policing strategy has played in reducing violence.

According to an interview given by a DEA agent in 2013, U.S. authorities were more concerned about the rising presence of the Sinaloa DTO in the area than the AFO, citing that "the Sinaloa cartel has the upper hand," despite DEA's designation of Sanchez Arellano as one of the six most influential traffickers in the region.[40] Sanchez Arellano appears to have led the DTO until his arrest in June 2014 by Mexican federal police. Sanchez Arellano's mother, Enedina Arellano Felix, who is trained as an accountant, has reportedly taken charge following her son's arrest. Some observers maintain that Enedina Arellano Felix's background as chief financial officer for the DTO may signal a shift toward favoring alliances and financial crimes over brutal violence.[41] Now called a "shadow of its former self,"[42] it is unclear if the AFO retains enough power through its own trafficking and other crimes to successfully operate as a tollbooth organization, or is simply a "puppet" organization under the control of the still-dominant Sinaloa DTO.

Sinaloa DTO

Sinaloa, composed of a network of smaller organizations, has grown to be the dominant DTO operating in Mexico today, controlling by some estimates from 40% to 60% of the country's drug trade.[43] Some estimates place Sinaloa's annual earnings at around $3 billion.[44] Sinaloa reportedly has a substantial presence in some 50 countries, including throughout the Americas, Europe, West Africa, and Southeast Asia. The Sinaloa DTO controls crime in at least five Mexican states: Baja California, Sonora and the "Golden Triangle" of Sinaloa, Durango, and Chihuahua, although analysts have disputed its current reach within Mexico.[45]

Often described as the most powerful mafia organization in the Western Hemisphere, Sinaloa is also reported to be the most cohesive.[46] The Sinaloa DTO is known for trafficking cocaine, but moves all types of illicit drugs, including but not limited to heroin, methamphetamine, synthetic

(...continued)

use the plaza. See "Explaining the Slight Uptick in Violence in Tijuana" for more information at http://bakerinstitute.org/files/3825/.

[40] Op. cit. Castillo and Spagat, 2014.

[41] Kyra Gurney, "'Narco-Mom' Takes Charge of Tijuana Cartel," *InSight Crime: Organized Crime in the Americas*, June 26, 2014; Ioan Grillo, "Meet the First Woman to Lead a Mexican Drugs Cartel," *Time*, July 7, 2015.

[42] CRS Interview with Security Analyst Alejandro Hope, July 2014.

[43] Patrick Radden Keefe, "Cocaine Incorporated," *New York Times*, June 15, 2012; "Mexico: Security," *Jane's Sentinel Security Assessment: Central America and the Caribbean*, March 25, 2015. The Jane's security assessment notes that "Sinaloa cartel is still the most powerful criminal organization in Mexico and the only one that can operate trafficking activities nationwide."

[44] Natalie Jennings, "'El Chapo,' by the Numbers," *Washington Post*, February 26, 2014.

[45]Luis Pablo Beauregard, "Mexico Braces for Fresh Drug Violence After Sinaloa Cartel Chief's Capture," *El Pais*, February 27, 2014. The "Golden Triangle" contains three of four Mexican states where opium poppy and cannabis are primarily grown. See U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2014 International Narcotic Control Strategy Report*, March 2014, p. 234. Mexican security analyst Alejandro Hope has suggested that Sinaloa may maintain control of Chihuahua, despite the 2013 map provided by DEA showing otherwise.

[46] CRS interview with Eduardo Guerrero-Gutiérrez, July 2014.

drugs, and marijuana, and has reached all regions of the United States, according to the U.S. Department of Justice.[47]

The Sinaloa DTO retains the Sinaloa core that descended from the Felix Gallardo network. Early in 2008, a federation dominated by the Sinaloa cartel (which included the Beltrán Leyva organization and the Juárez DTO) broke apart. In 2011, Sinaloa expanded operations into Mexico City and into Durango, Guerrero, and Michoacán states, while continuing its push into territories in both Baja California and Chihuahua once controlled by the Tijuana and Juárez DTOs. The Sinaloa DTO has a reputation for organizational prowess and eclectic strategies for eluding authorities. The organization has utilized tunnels, catapults, submarines, go-fast boats and semi-submersibles. These innovative techniques have supplemented more traditional methods, such as air transport and container ships, to traffic narcotics coming from South America or produced in Mexico into the United States.[48]

The Sinaloa DTO suffered significant blows to its top leadership in the first half of 2014. The February 2014 arrest of Joaquín "El Chapo" Guzmán, the cartel's storied leader and the most wanted criminal in Mexico, by Mexican marines in the tourist city of Mazatlán was seen as an important symbolic victory for the Peña Nieto Administration. The arrest of Guzmán diminished criticism that the Peña Nieto government had been too soft on DTO leaders, and it also demonstrated ongoing support from U.S. intelligence in the capture of top traffickers. Some authorities expressed fear of increased violence by rival organizations, such as the Knights Templar and Los Zetas, should the DTOs attempt to take advantage of Sinaloa's perceived weakness following Guzmán's capture.[49] Others disagreed and thought activities would proceed as "business as usual" both in Sinaloa's areas of influence and inside the DTO, asserting that a very clear line of succession had already been put in place.[50]

Despite predictions to the contrary, the DTO appeared to weather the arrest of Guzmán without the spike in internal violence that is often associated with arrests of other DTO kingpins.[51] While Sinaloa seems to have retained its internal cohesion, Mexican media sources reported that the level of organized-crime related homicides in Sinaloa state did slightly increase after Guzmán's arrest. With the rumored death in June 2014 of Juan Jose "El Azul" Esparragoza Moreno, one of Guzman's most trusted deputies, the head of the Sinaloa DTO was assumed to be Guzmán's partner, Ismael Zambada Garcia, alias "El Mayo."[52]

[47] U.S. Department of Justice, *NDTA 2011*, August 2011.

[48] Patrick Radden Keefe, "Cocaine Incorporated," *New York Times*, June 15, 2012, pp. 4-5. The head of the Sinaloa DTO, "El Chapo" Guzman, has been credited for Sinaloa's reputation for innovation. See also Catherine E. Shoichet, "Tunnel Vision: A Look Inside El Chapo's Underground Hideaways," CNN, July 14, 2015.

[49] Op. cit., Beauregard, 2014.

[50] "Mexico Risk: Alert - The Security Outlook Post 'Chapo' Guzmán's Capture," Risk Briefing to the UN, Economist Intelligence Unit, February 27, 2014; Joshua Partlow and Nick Miroff, "After Drug Lord's Arrest, Mexico Braces for Fallout; Some Analysts Fear Heightened Violence, Others Say Drug Business Will Continue Unchanged," *Washington Post*, February 25, 2014.

[51] Kyra Gurney, "Sinaloa Cartel Leader 'El Azul' Dead? 'El Mayo' Now in Control?" *InSight Crime: Organized Crime in the Americas*, June 9, 2014. Esparragoza is married to Guzmán's sister-in-law, was the godfather of Amado Carrillo Fuentes' son and one of Ismael Zambada's sons, and his son is married to the daughter of one of the Beltrán Levyas.

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

Guzmán, Esparragoza, and Zambada Garcia appear to have been the cartel's key leaders; however Sinaloa may operate with a more horizontal leadership structure than previously thought.[53] Sinaloa operatives control certain territories, making up a decentralized network of bosses who conduct business and violence through alliances with each other and local gangs. Local gangs throughout the region specialize in specific operations and are then contracted by the Sinaloa DTO network.[54]

The unconfirmed death of "El Azul" Esparragoza in June 2014 reportedly weakened the DTO,[55] but analysts maintain that Sinaloa continues to operate as a hegemon in the region. In July 2015, speculation about the extent of Sinaloa's dominance both internationally and its infiltration of the upper reaches of the Mexican government exploded anew following the successful escape by Guzmán through a mile-long tunnel from Mexico's top security prison located west of Mexico City. Sinaloa remains one of the few criminal groups in Mexico that has not diversified extensively into "extractive" crimes, such as kidnapping and extortion.[56] It keeps a low profile to limit its exposure to relentless enforcement and has sustained a majority stake in the drug business rather than diversifying its empire. On the other hand, some observers suggest the leadership of the DTO has the resources to underwrite its impunity with bribes and corruption.[57] Other observers have suggested that strengthening Sinaloa's hand to organize the DTOs and calm wider DTO violence may even have been seen as desirable.[58] Still others raise the concern that Guzmán's prison break could spawn more violence, possibly along the U.S.-Mexico border.[59]

Juárez/Carrillo Fuentes Organization

Based in the border city of Ciudad Juárez in the state of Chihuahua, the once-powerful Juárez DTO controlled the smuggling corridor between Ciudad Juárez and El Paso, Texas, in the 1980s and 1990s.[60] By some accounts, the Juárez DTO controlled at least half of all Mexican narcotics trafficking under the leadership of its founder, Amado Carrillo Fuentes. Vicente Carrillo Fuentes, Amado's brother, took over the leadership of the cartel when Amado died during plastic surgery in 1997 and reportedly led the Juárez organization until his arrest in October 2014.

[53] Observers dispute the extent to which Guzmán made key strategic decisions for Sinaloa. Some maintain he was a figurehead whose arrest had little impact on Sinaloa's functioning as he ceded operational tasks to Zambada Garcia and Esparragoza long before his arrest.

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

[55] "Number of Bodies Found in Mexican State Rises to 18," *EFE News Service*, June 11, 2014. Some have predicted an increase in external and internal violence following the alleged death of Esparragoza. It should be noted that it is not unheard of for Mexican DTO leaders to fake their own deaths to decrease pressure from authorities.

[56] CRS interview with Alejandro Hope, July 2014.

[57] Alejandro Hope, "El Chapo's Great Escape," *El Daily Post*, July 12, 2015.

[58] See Ginger Thompson, "At Breakfast to Talk El Chapo, Drug War Veterans Serve Up Cynicism," *Pro Publica*, July 20, 2015, at http://www.propublica.org/article/at-breakfast-to-talk-el-chapo-drug-war-veterans-serve-up-cynicism.

[59] Alfredo Corchado, "Mexican Drug Lord's Escape May Mean More Violence on Border," *Dallas Morning News*, July 14, 2015.

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

In 2008, the Juárez DTO broke from the Sinaloa federation, with which it had been allied since 2002.[61] The ensuing rivalry between the Juárez DTO and the Sinaloa DTO helped turn Ciudad Juárez into one of the most violent cities in the world. From 2008 to 2011, the Sinaloa DTO and the Juárez DTO fought a vicious "turf war," and Ciudad Juárez experienced a wave of violence with spikes in violent homicides, extortion, kidnapping, and theft—at one point reportedly experiencing 10 murders a day.[62] From 2008 to 2012, the violence in Juárez cost about 10,000 lives. Reportedly, more than 15% of the population displaced by drug-related violence inside Mexico between 2006 to 2010 came from the border city, while having only slightly more than 1% of Mexico's population.[63]

In mid-2011, the "New Juárez Cartel" (*Nuevo Cártel de Juárez*) announced its presence in the city by posting a series of banners threatening the police chief.[64] Despite the emergence of the "new" DTO, homicide rates in Ciudad Juárez dropped considerably in 2012 and 2013 compared to earlier years. This sudden decrease in violence has been attributed both to the actions of the police and President Calderón's socioeconomic program *Todos Somos Juárez*, or We Are All Juarez.[65] Other analysts maintain that the Sinaloa DTO triumphed in its battle over the Juarez DTO and retained relatively peaceful and unchallenged control of the border city in recent years despite the Juárez DTO's continued presence in Chihuahua.[66]

The Juárez DTO had an enforcement arm, "La Linea," which has been prominent in the violence in Ciudad Juárez and elsewhere in the state of Chihuahua.[67] Some analysts claim that in October 2013 La Linea split from the Juárez DTO and began to be funded and trained by Los Zetas, a

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

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

[63] For a more in-depth narrative of the conflict in Juárez and its aftermath, see Steven Dudley, "Juárez: After the War," *Insight Crime: Organized Crime in the Americas*, February 13, 2013. For a discussion of border city displacement and migration due to drug-related violence, see Viridiana Rios Contreras, "The Role of Drug-Related Violence and Extortion in Promoting Mexican Migration: Unexpected Consequences of a Drug War," *Latin America Research Review*, vol. 49, no. 3 (2014). The author estimates that more than 40,000 residents fled Ciudad Juárez between 2006 and 2010 due to violence.

[64] "Mexico Security Memo: A New Juárez Cartel," Stratfor, February 1, 2012. The New Juárez Cartel was seen by many analysts as a re-branding effort by the original Juárez DTO and its allies, and not an actual new organization. The New Juárez Cartel soon dropped the "New" adjective.

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

[66] Some observers have alleged that Mexican and U.S. law enforcement favored the Sinaloa DTO and set them up as the victors. See Steven Dudley, "How Juárez's Police, Politicians Picked Winners of Drug War," *InSight Crime: Organized Crime in the Americas*, February 13, 2013.

[67] CRS interview with John Bailey, June 2014. La Linea suffered a major loss with the July 2011 arrest of its leader, José Antonio "El Diego" Acosta Hernández, who then confessed to ordering over 1,500 murders and was convicted of the March 2010 murder of three people connected to the U.S. consulate in Juárez. He was extradited to the United States and convicted in federal court on charges of murder and drug trafficking and sentenced to four consecutive life sentences in April 2012. The Acosta case represents increasingly close cooperation between Mexican and U.S. authorities on bringing hyper-violent offenders to justice.

DTO that reportedly made a successful incursion into the city.[68] Similarly, the Barrio Azteca street gang, another former ally of the Juárez DTO, has also allegedly split from the cartel and now receives funding and training from Los Zetas.

Nevertheless, the split between the criminal groups may not ultimately prove relevant if another new development has taken place: Los Zetas, La Linea, and the Barrio Azteca are reportedly working cooperatively with the Juárez DTO to restore its presence in the city so it can again challenge Sinaloa. According to this analysis, Los Zetas and its allies have been allowed to operate relatively peacefully as Sinaloa's grip on the city considerably loosened in 2013 and the first half of 2014, forcing Sinaloa to tolerate the presence of Los Zetas.[69]

According to many press reports, Ciudad Juárez seems to be staging a "comeback," with the border city opening new restaurants, nightclubs, and stores. However, a complete recovery remains distant, as government sources reported as many as 10 murders a week during early 2014.[70] Some have declared Ciudad Juárez a "security miracle," despite a still-violent atmosphere and its reported annual homicide rate of 28 per 100,000 in 2014. But many residents who fled during the years of intense drug-related violence remain reluctant to return to Juárez and cite the stubbornly-elevated homicide rate as one reason.[71]

Gulf DTO

Based in the border city of Matamoros, Tamaulipas, with operations in other Mexican states on the Gulf side of Mexico, this organization is a transnational smuggling operation with agents in Central and South America.[72] The Gulf DTO was the main competitor challenging Sinaloa for trafficking routes in the early 2000s, but now battles its former enforcement wing, Los Zetas, over territory in northeastern Mexico. It has reportedly split into several competing gangs.

The Gulf DTO arose in the bootlegging era of the1920s. In the 1980s, its leader, Juan García Abrego, developed ties to Colombia's Cali cartel as well as to the Mexican federal police. García Abrego was captured in 1996 near Monterrey, Mexico.[73] His violent successor, Osiel Cárdenas Guillén, successfully corrupted elite Mexican military forces to become his hired assassins. Those corrupted military personnel became known as Los Zetas when they fused with the Gulf cartel. In the early 2000s, Gulf was considered one of the most powerful Mexican DTOs. Cárdenas was arrested by Mexican authorities in March 2003, but he successfully continued to run his drug enterprise from prison until his extradition to the United States in 2007.[74]

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[68] "Mexico's Drug War: Stability Ahead of Fourth Quarter Turmoil," *Stratfor-Security Weekly*, October 10, 2013.

[69] Lorena Figueroa, "Analyst: Sinaloa Cartel Losing Power in Juárez," *El Paso Times*, April 17, 2014. Figueroa reported on the U.S.-Mexico Border Security Summit held in El Paso in April 2014, where Scott Stewart, Stratfor's vice-president of tactical intelligence, made a presentation on the Mexican DTOs.

[70] Tracy Wilkinson, "In Mexico, Ciudad Juárez Reemerging from Grip of Violence," *Los Angeles Times*, May 4, 2014.

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

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

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

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

Tensions between the Gulf DTO and Los Zetas culminated in their split in 2010. Antonio "Tony Tormenta" Cárdenas Guillén, Osiel's brother, was killed that year, and leadership of the Gulf went to another high-level Gulf lieutenant, Jorge Eduardo Costilla Sanchez, also known as "El Coss," until his arrest in 2012. Exactly what instigated the Zetas and Gulf split has not been determined, but the growing strength of the paramilitary group and their leader was a factor, and some analysts say the Zetas blamed the Gulf DTO for the murder of a Zeta close to their leader, which sparked the rift.[75] Others posit the split happened earlier, but the Zetas organization that had brought both military discipline and sophisticated firepower to cartel combat was clearly acting independently by 2010. Regardless, the ensuing bitter conflict between the Gulf DTO and Los Zetas has been identified as the "most violent in the history of organized crime in Mexico."[76]

Mexican federal forces identified and targeted a dozen Gulf and Zeta bosses they believed responsible for the wave of violence in Tamaulipas in the spring and summer of 2014.[77] Analysts have reported that the structures of both the Gulf DTO and Los Zetas have been decimated by federal action and combat between each other, and both groups now operate largely as fragmented cells that do not communicate with each other and often take on new names.[78]

In May 2014, the Mexican government deployed federal troops to the oil-rich border state of Tamaulipas just south of Texas, in an attempt to reassert control over the area.[79] Newspaper sources outside of Tamaulipas and anonymous social media accounts report daily kidnappings, daytime shootings, and burned-down bars and restaurants in towns and cities in Tamaulipas, such as the port city of Tampico.[80] Like the Zetas, fragmented cells of the Gulf DTO have expanded into other criminal operations, such as fuel theft and widespread extortion. One theory is that the Gulf DTO is posed to make a return to coherence following the decimation of Los Zetas and that Gulf will reconstitute and attempt to wrestle control of the strategically significant city of Monterrey in the neighboring state of Nuevo León.[81] Other theories are that the Gulf DTO is now

(...continued)

2010).

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

[76] Eduardo Guerrero Gutierrez is a Mexican security analyst and a former security advisor to President Enrique Peña Nieto. CRS interview in June 2014.

[77] Jorge Monroy, "Caen tres lideres de Los Zetas y Cartel de Golfo," June 18, 2014. In June 2014, Mexican marines captured three of those identified.

[78] Interview with Eduardo Guerrero, June 2014. "Balkanization," or decentralization of the structure of the organization, does not necessarily indicate that a criminal group is weak, but simply that it lacks a strong central leadership. The sudden loss of leadership may temporarily weaken a criminal organization until the structure of the organization shifts toward independently-operated cells, in which case the reconstituted group may return to power.

[79] Joshua Partlow, "An Oil-Rich Area Just South of Texas Is Mexico's Newest Drug-War Crisis Zone," *Washington Post*, May 31, 2014; Christopher Sherman, "Mexico Sets Security Plan for Violent Border State," Associated Press, May 13, 2014. The federal government divided Tamaulipas into four areas, each controlled by a military commander. The Mexican government also announced that corrupt local and state law enforcement officials were to be purged through a vetting and certification program, and more funding would be directed toward intelligence operations to combat extortion and kidnapping.

[80] Ibid. Joshua Partlow reports that local news outlets inside Tamaulipas are so threatened by DTO cells that they are intimidated to report on criminal violence and its consequences.

[81] Juan Carlos Perez Salazar, "¿Qué Pasó con Los Zetas, el Cartel Más Temido?," *BBC Mundo—Animal Político*, May 20, 2014.

so fragmented and internally divided into factions itself that it is best understood—as are the Zetas—as part of a "regional crime umbrella" in Tamaulipas (see "DTO Fragmentation, Competitions, Diversification").

Los Zetas

This group originally consisted of former elite airborne special force members of the Mexican army who defected to the Gulf DTO and became its hired assassins.[82] Although Zeta members are part of a prominent transnational DTO, their main asset is not drug smuggling, but organized violence. They have amassed significant power to carry out an extractive business model—thus generating revenue from crimes, such as fuel theft, extortion, human smuggling and kidnapping, that are widely seen to inflict more suffering on the Mexican public than transnational drug trafficking.[83]

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

Unlike many other DTOs, Los Zetas have not attempted to win the support of local populations in the territory in which they operate, and they have allegedly killed many civilians. They are linked to a number of massacres, such as the 2011 firebombing of a casino in Monterrey that killed 53 people and the torture and mass execution of 193 migrants in 2011 who were traveling through northern Mexico by bus.[84] Los Zetas are known to kill those who cannot pay extortion fees or who refuse to work for them, often targeting migrants.[85]

In 2012, Mexican marines killed long-time Zeta leader, Heriberto Lazcano (alias "El Lazca"), one of the founders of Los Zetas, in a shootout in the northern state of Coahuila.[86] The capture of his successor, Miguel Angel Treviño Morales, alias "Z-40," notorious for his brutality, in July 2013 by Mexican federal authorities was a second blow to the group. Some analysts date the beginning of the "loss of coherence" of Los Zetas to the killing of Lazcano, and the ensuing arrest of Treviño Morales as the event which accelerated the group's decline. In March 2015, Treviño Morales's brother Omar, who was thought to have taken over leadership of Los Zetas, was also arrested in a joint operation by the Mexican federal police and military. According to Mexico's

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

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

[84] George Grayson, *The Evolution of Los Zetas in Mexico and Central America: Sadism as an Instrument of Cartel Warfare*, U.S. Army War College Strategic Studies Institute, Carlisle, PA, April 2014, p. 9.

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

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

attorney general, federal government efforts against the cartels, which resulted in the killing or capture of 93 (of 122) of Mexico's most high value criminal targets through April 2015, hit the Zetas the hardest, with more than 30 of their leaders removed.[87]

Los Zetas are known for their diversification and expansion into other criminal activities, such as fuel theft, extortion, kidnapping, human smuggling, and arms trafficking. In 2014, El Salvador's minister of security announced that Salvadoran authorities suspected Los Zetas of providing high-powered firearms to the MS-13, a prominent transnational gang based in El Salvador.[88] Sophisticated fuel theft operations have grown rapidly in traditional Zeta strongholds, such as Tamaulipas, and continue to pose a pressing challenge for the state oil company, Petróleos Mexicanos (Pemex).[89] According to media coverage, Pemex announced that it lost more than $1.15 billion to fuel theft in the first nine months of 2014. Los Zetas have demonstrated a capacity to develop sophisticated distribution networks for the oil and gas that they have stolen.[90] The number of illegal fuel taps on Pemex oil and gas lines has reportedly grown exponentially, from 155 found in 2000 to 2,614 in 2013.[91] The most incidents of illegal siphoning took place in the Mexican Gulf states of Tamaulipas and Veracruz.

As mentioned above, some analysts believe government action has critically weakened Los Zetas and caused the "balkanization" of the group into independent cells. Others analysts disagree and maintain that Los Zetas may continue to expand in 2015, but will be subject to internal splits.[92] Some analysts maintain that the cartel is based on a franchise principle and is adept at reformulating itself to adjust to crisis. While many dispute the scope of the territory held by Los Zetas in 2014 and the formerly-cohesive group's immediate prospects, most concur that the organization is no longer as powerful as it was during the height of its dominance in 2011 under the leadership of Lazcano.

Beltrán Leyva Organization (BLO)

Before 2008, this syndicate was part of the Sinaloa federation and controlled access to the U.S. border in Mexico's Sonora state. The Beltrán Leyva brothers developed close ties with Sinaloa head Joaquin "El Chapo" Guzmán and his family, along with other Sinaloa-based top leadership. The January 2008 arrest of BLO's leader, Alfredo Beltrán Leyva, through intelligence reportedly provided by Guzmán, triggered BLO's split from the Sinaloa DTO.[93] The two organizations have remained bitter rivals since.

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

[88] "Denuncian que maras salvadoreñas son armadas por los Zetas," *BBC Mundo: Animal Politico*, April 26, 2014.

[89] "Stealing Fuel from Pipelines Big Business in Mexico," *InSight Crime: Organized Crime in the Americas*, February 3, 2014.

[90] Michael Lohmuller, "Will Pemex's Plan to Fight Mexico Oil Thieves Work?," *InSight Crime: Organized Crime in the Americas*, February 18, 2015.

[91] "Major Increase of Illegal Oil Siphoning in Mexico Leads to Losses in the Millions," Fox News Latino, February 5, 2014.

[92] "Mexico's Drug War: A New Way to Think About Mexican Organized Crime," Stratfor Global Intelligence, January 15, 2015.

[93] See *InSight Crime: Organized Crime in the Americas* profile, "Beltrán Leyva Organization." The profile suggests that Guzmán gave authorities information on Alfredo Beltrán Leyva in order to secure his son's release from prison.

The organization suffered a series of setbacks at the hands of the Mexican security forces beginning with the December 2009 killing of Arturo Beltrán Leyva, followed closely by the arrest of Carlos Beltrán Levya. In 2010, the organization broke up when the remaining brother, Héctor Beltrán Leyva, took the remnants of the BLO and rebranded it as the South Pacific Cartel (*Pacifico Sur*). Another top lieutenant, Edgar "La Barbie" Valdez Villarreal, took a faction loyal to him and formed the Independent Cartel of Acapulco, which he led until his arrest in 2010.[94] The South Pacific Cartel has appeared to retake the name Beltrán Leyva Organization and achieved renewed prominence under Hector Beltrán Leyva's leadership, until his arrest in October 2014.

Splinter organizations have arisen since 2010, such as the *Guerreros Unidos* and *Los Rojos*, among at least five others with roots in the BLO. Los Rojos operates in Guerrero and relies heavily on kidnapping and extortion for revenue as well as trafficking cocaine, although analysts dispute the scope of its involvement in the drug trade.[95] The Guerreros Unidos traffics cocaine as far north as Chicago in the United States and reportedly operates primarily in the central and Pacific states of Guerrero, México, and Morelos. The Guerreros Unidos, according to Mexican authorities, was responsible for taking the 43 Mexican teacher trainees that were handed to them by local authorities in Iguala, Guerrero, and subsequently murdered the students and burnt their bodies.[96] The lack of a hegemonic DTO in Guerrero has led to significant infighting between DTO factions and brutal intra-cartel competition, resulting in the state of Guerrero having the highest number of homicides and kidnappings in the country in 2013 and the second most after the state of México in 2014.[97]

In April 2014, Mexican federal police arrested the BLO's second-in-command, Arnoldo Villa Sanchez in Mexico City, identified by authorities as the center of Villa Sanchez's operations. The BLO also has a presence in the central and southern states of Chiapas, Guerrero, Puebla, México, and Tlaxcala.[98] A 2013 U.S. Department of the Treasury chart identified Villa Sanchez as Hector Beltrán Leyva's "head of security," but he was also clearly involved in coordinating drug shipments.[99] In addition to the BLO's operations in the previously mentioned states, there have been reports of Beltrán Leyva presence in the Pacific states of Sinaloa and Nayarit. The BLO allegedly attempted to reassert control in the border state of Sonora following the capture of Sinaloa chief "El Chapo" Guzmán, but Mexican security analysts believe that the effort failed and Sinaloa remains dominant in the region.[100] Like other DTOs, the BLO was believed to have

[94] Edgar Valdez is an American-born smuggler from Laredo, Texas, and allegedly started his career in the United States dealing marijuana. His nickname is "La Barbie" due to his fair hair and eyes. Nicholas Casey and Jose de Cordoba, "Alleged Drug Kingpin Is Arrested in Mexico," *Wall Street Journal*, August 31, 2010.

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

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

[97] Marguerite Cawley, "Murder Spike in Guerrero, Mexico Points to Criminal Power Struggle," *InSight Crime: Organized Crime in the Americas*, May 30, 2014; op. cit., Heinle, Molzahn, and Shirk, April 2015.

[98] Lizbeth Diaz, Elinor Comlay, and Tom Brown, "Mexico Captures Senior Drug Boss Operating in Mexico City," Reuters, April 16, 2014.

[99] "Mexico Nabs No. 2 in Beltrán-Leyva Gang," Associated Press, April 16, 2014.

[100] Felipe Larios and Mark Stevenson, "Killing of 7 Marks Rise of Mexico Drug Corridor," Associated Press, March 21, 2014.

infiltrated the upper levels of the Mexican government for at least part of its history, but whatever reach it once had has likely significantly declined in recent years following the arrest of many of its leaders, including Hector Beltrán Leyva in late 2014.[101]

La Familia Michoacana (LFM)

Based originally in the Pacific state of Michoacán, LFM traces its roots back to the 1980s. Formerly aligned with Los Zetas before the group's split from the Gulf DTO, LFM announced its intent to operate independently from Los Zetas in 2006, declaring that LFM's mission was to protect Michoacán from drug traffickers, including its new enemies, Los Zetas.[102] From 2006 to 2010, LFM acquired notoriety for its use of extreme, symbolic violence, military tactics gleaned from the Zetas, and a pseudo-ideological or religious justification for its existence.[103] LFM members reportedly made donations of food, medical care, schools, and other social services to benefit the poor in rural communities in order to project a populist "Robin Hood" image.

In 2010, however, LFM played a less prominent role, and in November 2010, the LFM reportedly called for a truce with the Mexican government and announced it would disband.[104] A month later, spiritual leader and co-founder Nazario "El Más Loco" Moreno González was reportedly killed, although authorities claimed his body was stolen.[105] Moreno González reappeared in another shootout with Mexican federal police in March 2014, after which his death was officially confirmed.[106] Moreno González had been nurturing the development of a new criminal organization that emerged in early 2011 calling itself the Knights Templar and claiming to be a successor or offshoot of LFM.[107]

Though "officially" disbanded, LFM remained in operation, even after the June 2011 arrest of leader José de Jesús Méndez Vargas (alias "El Chango"), who allegedly took over after the disappearance of Moreno González.[108] LFM is reportedly now led by Hector "El Player" Garcia.[109] Though largely fragmented, remaining cells of La Familia Michoacana are still active

[101] James C. McKinley, Jr., "Keeping Residents Close and Maybe a Cartel Closer, Mexican Mayor's First Months in Office Marked by Scandal, Twists," *Pittsburg Post-Gazette*, April 25, 2010. Also see Insight Crime profile on the BLO, which claims that ties to Mexican officials enabled the Beltrán Leyva brothers to orchestrate "Chapo" Guzman's escape from prison in 2001.

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

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

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

[105] Dudley Althaus, "Ghost of 'The Craziest One' Is Alive in Mexico," *InSight Crime: Organized Crime in the Americas*, June 11, 2013.

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

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

[108] Adriana Gomez Licon, "Mexico Nabs Leader of Cult-Like La Familia Cartel," Associated Press, June 21, 2011.

[109] "Arrests Show Familia Michoacana Still Alive in Southwest Mexico," *InSight Crime: Organized Crime in the*
(continued...)

in trafficking, kidnapping, and extortion in Guerrero and Mexico states, especially the working-class suburbs around Mexico City.[110] Observers report that LFM has been largely driven out of Michoacán by the Knights Templar.[111] As a DTO it has specialized in methamphetamine production and smuggling along with other synthetic drugs and has been known to traffic marijuana, cocaine, and to tax and regulate the production of heroin.

Knights Templar

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

In 2013, frustration with the perceived ineffectiveness of Mexican law enforcement in combating predatory criminal groups led to the birth in Michoacán of "*autodefensa*" or self-defense organizations, particularly in the tierra caliente region in the southwestern part of the state. Composed of citizens from a wide range of backgrounds—farmers, ranchers, businessmen, former DTO operatives, and others—the self-defense militias primarily targeted members of the Knights Templar.[112] Local business owners, who had grown weary of widespread extortion and hyper-violent crime that was ignored by corrupt local and state police, provided seed funding to resource the militias in Michoacán, but authorities cautioned that some of the self-defense groups had extended their search for resources and weapons to competing crime syndicates, such as the Cártel Jalisco New Generation (*Cartel Jalisco Nueva Generación* [CJNG]). Despite some analysts' contention that ties to rival criminal groups are highly likely, other observers are careful not to condemn the entire self-defense movement. These analysts acknowledge some gains in the effort to combat the Knights Templar that had not been made by government security forces, although conflict between self-defense groups has also led to violent battles.

The Knights Templar has reportedly emulated LFM's penchant for diversification into other crime, such as extortion. The Knights Templar battled the LFM, and by 2012 its control of Michoacán was nearly as widespread as LFM's had once been, especially by demanding local businesses pay it tribute through hefty levies. According to avocado growers in the rural state who provide more than half the global supply, LFM and the Knights Templar together reportedly took nearly 13% of their profits between 2009 and 2013, averaging about $150 million annually.[113] In 2014, reportedly the successful extortion of lime growers in Michoacán resulted in the price of

(...continued)

Americas, May 22, 2014.

[110] CRS Interview with Dudley Althaus, June 2014.

[111] Ibid.

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

[113] Lydiette Carrion, "Templarios Controlaron Aguacate," *El Universal*, April 8, 2014.

limes jumping by 14%.[114] The Knights Templar also moved aggressively into illegal mining; in June 2014, Mexican officials claimed to have cumulatively seized over $70 million worth of iron ore from illegally-operated mines formerly controlled by the Knights Templar.[115] Through mid-2014, the Knights Templar had reportedly been using Mexico's largest port, Lázaro Cárdenas, located in the southern tip of Michoacán, to smuggle illegally-mined iron ore among other illicit goods.[116] Analysts and Mexican officials have maintained that the 2014 federal occupation of Lázaro Cárdenas resulted in an "impasse," rendering DTOs unable to receive and send shipments.[117]

In May 2014, the Mexican government began its controversial policy of incorporating members of the self-defense groups into legal law enforcement, giving them the option to disarm or register themselves and their weapons as part of the "Rural Police Force."[118] Observers have raised concerns over this effort to legitimize what some see as "vigilante" justice, citing the unpredictability of such a policy and the potential for the groups to morph into predatory paramilitary forces as occurred in Colombia.[119] The federal police and the Rural Police Force had a successful period of cooperation, which ended with the arrests of the two self-defense force leaders (as well as dozens of members) in April and June of 2014.[120] The arrests sparked tension between the self-defense movement and federal police, contributing to high rates of violence in the area.[121]

The Mexican government and self-defense forces delivered heavy blows to the Knights Templar, especially with the confirmed killing in March 2014 of Nazario Moreno González, who led the Knights after his earlier reported death, and the killing of Enrique Plancarte, another top leader, several weeks later.[122] Previously, the self-defense forces and the Knights Templar had reportedly split Michoacán roughly into two, although other criminal organizations continued to operate successfully in the area. In late February 2015, the Knights Templar DTO leader Servando "La Tuta" Gomez was captured. The former school teacher had taken risks by being interviewed in the media to make a case that his cartel had not plundered Michoacán and victimized civilians. With La Tuta's arrest, the fortunes of the Knights Templar plummeted.

[114] "Templarios 'Amargan' el 5 de Mayo en EU," *Noticias Financieras*, May 6, 2014.

[115] "Mexico Seizes $70 million in Ore That Diversified from Drugs to Mining," Associated Press, June 11, 2014.

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

[117] Interview with Eduardo Guerrero, July 2014.

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

[119] John Bailey interview, June 2014. Bailey authored *The Politics of Crime in Mexico: Democratic Governance in a Security Trap*, 2014. According to the author, the self-defense forces in Mexico have the potential to follow the positive route of Peru's Rondas Campesinas, or the more deleterious path of Colombian self-defense forces in the late 1990s, which was "disastrous."

[120]The Mexican federal police arrested 83 members of the self-defense forces (including a well-known leader) in June 2014 for possession of unregistered weapons, an event largely seen as destroying chances for further cooperation between Mexican law enforcement and the self-defense forces. "Arrestan a 83 Miembros y a Líder de Autodefensas en México," Associated Press, June 27, 2014. For more information on the tensions between the self-defense movement and Mexican authorities, see Steven Dudley and Dudley Althaus, "Mexico's Security Dilemma: The Battle for Michoacán," Woodrow Wilson Center, Mexico Institute, April 30, 2014.

[121] Ibid. The authors of the report suggest that the situation in Michoacán is "a battle on four fronts:" factions of the self-defense forces are fighting each other, self-defense forces battling the Knights Templar, self-defense forces fighting Mexican federal forces, and DTOs fighting federal forces.

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

Cartel Jalisco-New Generation (CJNG)

Originally known as the Zeta Killers, the CJNG made its first appearance in 2011 with a roadside display of the bodies of 35 alleged members of Los Zetas.[123] It is a regional DTO based in Jalisco state with operations in central Mexico, including the states of Colima, Michoacán, Mexico State, and Guanajuato.[124] Reportedly, it has been led by many former associates of slain Sinaloa DTO leader Ignacio "Nacho" Coronel, who operated his faction in Jalisco until he was killed by Mexico's security forces in July 2010.[125] The CJNG has early roots in the Milenio cartel, and recently the Mexican government declared it to be one of the most dangerous cartels in the country and one of two with national reach.[126] Concern about CJNG spiked after the shoot down of an Army helicopter on May 1, 2015—the first shoot down of a military helicopter by criminal forces reported in Mexico.

Like the Knights Templar and La Familia Michoacana, the CJNG has hung "narcomantas" (banners) with threatening messages to rival crime groups blended with a populist message that the CJNG is fighting to rid Mexico of its "bad actors" who are also its rivals. One such banner announcing CJNG presence in Guanajuato in September 2013, a state in Central Mexico bordering Michoacán and Jalisco, promised a "cleansing" of kidnappers and extortionists in the area.[127]

In early 2014, the Mexican government announced that officials had evidence that the CJNG had supplied arms to self-defense forces operating in Michoacán.[128] Some observers maintain that some self-defense forces, which seek to protect their communities from crimes such as extortion and kidnapping, serve as a front for groups like the CJNG. While the strength of the ties between the self-defense movement and crime groups remains unclear, CJNG has benefitted from the self-defense forces' targeting and assistance in weakening the Knights Templar, its bitter rival.[129]

CJNG reportedly served as an enforcement group for the Sinaloa DTO until the summer of 2013.[130] Analysts and Mexican authorities have suggested the split between Sinaloa and CJNG is one of the many indications of a general fragmentation of crime groups.[131] Ruben Oseguera Cervantes, alias "El Mencho," is believed to be the group's current leader. The Mexican military delivered a blow to the CJNG with the July 2013 capture of its leader's deputy, Victor Hugo "El

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

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

[125] CRS interview with Alejandro Hope, July 2014. See also *Peña Nieto's Challenge: Criminal Cartels and Rule of Law in Mexico*, especially Appendix D: Main Cartels in Mexico; Stratfor, "Mexico Security Memo: The Death of a Cartel de Jalisco Nueva Generacion Ally," February 27, 2013; Stratfor, "Mexican Cartels: Cartel de Jalisco Nueva Generacion," April 4, 2013; "Jalisco Cartel – New Generation," *InSight Crime: Organized Crime in the Americas*, May 5, 2015.

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

[127] Armando Gutierrez Rodriguez, "Anuncia Cartel "Una Limpia" de Secuestradores en Guanajuato," *Proceso*, September 17, 2013.

[128] Rosa Santana, "Cártel de Jalisco armó a autodefensas: Murillo Karam," *Proceso*, January 30, 2014.

[129] CRS interview with Alejandro Hope, July 2014.

[130] Claire O'Neill McCleskey, "New Generation Jalisco Cartel Leader Captured in Mexico," *InSight Crime*, July 22, 2013.

[131] Ibid; CRS interview with Dudley Althaus, 2014.

Tornado" Delgado Renteria.[132] In January 2014, the Mexican government arrested the leader's son, Rubén Oseguera González (also known as "El Menchito"), believed to be CJNG's second-in-command. However, El Menchito, who has dual U.S.-Mexican citizenship, was released in December 2014 because of lack of evidence in a federal case. Captured again in late June 2015, El Menchito was again released by a judge. On July 3, 2015, he was re-arrested by Mexican authorities.

Members of CJNG have been suspected of coordinated attacks against the Mexican military, including the downing of a military helicopter in May 2015 during a wave of violence in Jalisco state. The criminal group has waged firefights against the Zetas and their allies, as well as the remnants of La Familia Michoacana and, most notably, the Knights Templar.[133] In 2014, CJNG and the Knights Templar were reportedly locked in a battle over smuggling routes between Jalisco and Michoacán in an effort to protect their narcotics trafficking and production operations.[134] Mexican prosecutors have attributed clandestine graves containing multiple bodies throughout Jalisco and other areas of CJNG's territory to the battles instigated by this very violent group, which has allegedly referred to itself as the "armed wing of the Mexican people."[135] CJNG has responded with strident violence and, according to some observers, the government's militarized operation targeting the cartel known as Operation Jalisco will continue to concentrate on dismantling the group as long as CJNG's hyper-violent strategy continues to threaten the authorities and general population. El Mencho reportedly became Mexico's most wanted kingpin during the incarceration of Sinaloa leader El Chapo Guzmán.[136]

DTO Fragmentation, Competition, and Diversification

As stated earlier, the DTOs today are more fragmented and more competitive than the larger and more stable organizations that President Calderón faced at the beginning of his Administration in 2006. Analysts disagree about the extent of this fragmentation and its importance and whether the group of smaller organizations will be easier to dismantle. Fragmentation that began in 2010 and accelerated in 2011 redefined the "battlefield" and brought new actors, such as Los Zetas and the Knights Templar, to the fore. An array of smaller organizations are now active, and some of the once-small groups like CJNG have exploded into the space left after other DTOs were dismantled. Recently some analysts have identified Jalisco Cartel-New Generation as a cartel with national reach like the Sinaloa DTO, although it originally was an allied faction or the armed wing of Sinaloa organization. A newer cartel known as Los Cuinis has also been identified as a major organization in 2015. In April 2015, the U.S. Department of the Treasury's Office of

[132] Claire O'Neill McCleskey, 2014.

[133] Marguerite Cawley, "Ambush of Mexico Soldiers Reminder of Jalisco Cartel's Power," *InSight Crime: Organized Crime in the Americas*, May 14, 2014; "Security Official Says Mexican Cartel Used RPG to Down Military Helicopter," *Animal Politico*, May 4, 2015; Jesus Perez, "Losing the Fight Against Mexico's Jalisco Cartel, *Insight Crime: Organized Crime in the Americas*, May 21, 2015.

[134] "México-Al Menos Tres Muertos por Enfrentamientos entre Cárteles en el Limite entre Michoacán y Jalisco," *Europa Press-Notiamerica*, April 30, 2014. "Detienen a segundo del cartel Jalisco Nueva Generación," *Animal Politico*, January 30, 2014; interview with Alejandro Hope, July 2014.

[135] Marguerite Cawley, "Ambush of Mexico Soldiers Reminder of Jalisco Cartel's Power," *InSight Crime*, May 14, 2014.

[136] David Gagne, "Challenging the State a Poor Strategy for Mexico's Jalisco Cartel," *InSight Crime: Organized Crime in the Americas*, May 4, 2015; Jeremy Bender, "Mexico's Drug War Is Getting Even Worse," *Business Insider*, May 15, 2015.

Foreign Assets Control (OFAC) named both CJNG and Los Cuinis as "Specially Designated Narcotics Traffickers" under its Kingpin Act. According to an OFAC statement, the traditional DTOs in Mexico are being replaced by new organizations that are becoming "among the most powerful drug trafficking organizations in Mexico."[137]

Contrary to the experience in Colombia in the 1980s and 1990s with the sequential dismantling of the enormous Medellin and Cali cartels, fragmentation in Mexico has been associated with escalating violence.[138] A "kingpin strategy" implemented by the Mexican government has incapacitated numerous top- and mid-level leaders in all the major DTOs, either through arrests or deaths in arrest efforts. However, this strategy with political decentralization has contributed to violent succession struggles, shifting alliances among the DTOs, a proliferation of new gangs and small DTOs, and the replacement of existing leaders and criminal groups by ones who are even more violent.[139] Analysts disagree about the extent of this fragmentation and its importance. Several analysts have observed that as the Mexican DTOs have fragmented and multiplied, violence has escalated.[140] Others analysts caution not to overstate the level of fragmentation. Many of these organizations and smaller gangs are new, and it is premature to predict how they will fare. With the potential return of El Chapo to lead the Sinaloa DTO, it raises the question if other organizations and factions will align themselves with Sinaloa, whose leader has demonstrated such extraordinary cunning and capacity. On the other hand, these groups may relish their current autonomy and violently resist Sinaloa's attempt to dominate.

The ephemeral prominence of some new gangs and DTOs, regional changes in the power balance between different groups, and their shifting allegiances often catalyzed by government enforcement actions make it difficult to portray the current Mexican criminal landscape. The Stratfor Global Intelligence group contends that the rival crime networks are best understood now in regional groupings, and at least four geographic identities have emerged in 2014 and early 2015. Those umbrella groups are Tamaulipas state, Sinaloa state, "tierra caliente" regional group, and perhaps another umbrella group emerging along the southeastern coast of Mexico split off from the Tamaulipas umbrella group.[141] (See **Figure 3** for a map of the new cartel landscape.)

Another emerging factor has been the criminal diversification of the DTOs into poly-crime organizations. In addition to trafficking illegal narcotics, they have branched into other profitable

[137] U.S. Department of the Treasury, "Treasury Sanctions Two Major Mexican Drug Organizations and Two of Their Leaders," press release, April 8, 2015, at http://www.treasury.gov/press-center/press-releases/Pages/jl10020.aspx.

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

[139] Stratfor, "Mexico's Drug Wars: Bloodiest Year to Date," December 20, 2010; Stratfor, "Mexican Drug Wars Update: Targeting the Most Violent Cartels," July 21, 2011.

[140] O'Neil, "Drug Cartel Fragmentation and Violence;" Eduardo Guerrero Gutiérrez, "La Raiz de La Violencia," *Nexos en Línea*, June 1, 2011. Guerrero also maintains that eliminating DTO leaders has dispersed the violence.

[141] "Stratfor now divides Mexican organized criminal groups into the distinct geographic areas from which they emerged. This view is not just a convenient way of categorizing an increasingly long list of independent crime groups in Mexico, but rather it reflects the internal realities of most crime groups in Mexico." See Stratfor Global Intelligence, "Mexico's Drug War Update: Tamaulipas-Based Groups Struggle," April 16, 2015; and "Mexico's Drug War: A New Way to Think About Mexican Organized Crime," January 15, 2015.

crimes, such as kidnapping, assassination for hire, auto theft, controlling prostitution, extortion, money-laundering, software piracy, resource theft, and human smuggling. The surge in violence due to inter- and intra-cartel conflict over lucrative drug smuggling routes has been accompanied by an increase in kidnapping for ransom and other crimes.[142] For 2014, however, the Mexican government maintained that violent crime (other than homicide) declined, such as kidnapping by a significant 17%. The government's crime statistics, however, are contested by several watchdog groups, and more than 90% of crimes go unreported because of lack of trust in the authorities.[143]

Some believe diversification may be evidence of organizational vitality and growth. Others contend that diversification signals that U.S. and Mexican drug enforcement measures are cutting into profits from drug trafficking or constitutes a response to shifting U.S. drug consumption patterns and policies, such as legalization of marijuana in some states.[144] The growing public condemnation of the DTOs may also be stimulated by their diversification into street crime, which causes more harm to average Mexican civilians than intra- and inter-DTO violence related to conflicts over drug trafficking. Because the DTOs have diversified, many analysts now refer to them as transnational criminal organizations (TCOs), as organized crime groups, or as mafias.[145] Others maintain that much of their non-drug criminal activity is in service of the central drug trafficking business.[146] Whatever the label, no one has an accurate way to assess how much of the DTOs' income is earned from their non-drug activities.

[142] U.S. Department of State, *2015 International Narcotics Control Strategy Report*, Volume 1, March 2015.

[143] Elyssa Pachico, "Is the Government Manipulating Kidnap Statistics in Mexico?" *InSight Crime: Organized Crime in the Americas*, February 5, 2015; Marguerite Cawley, "Mexico Victims' Survey Highlights Under-Reporting of Crime," *InSight Crime: Organized Crime in the Americas*, October 1, 2014.

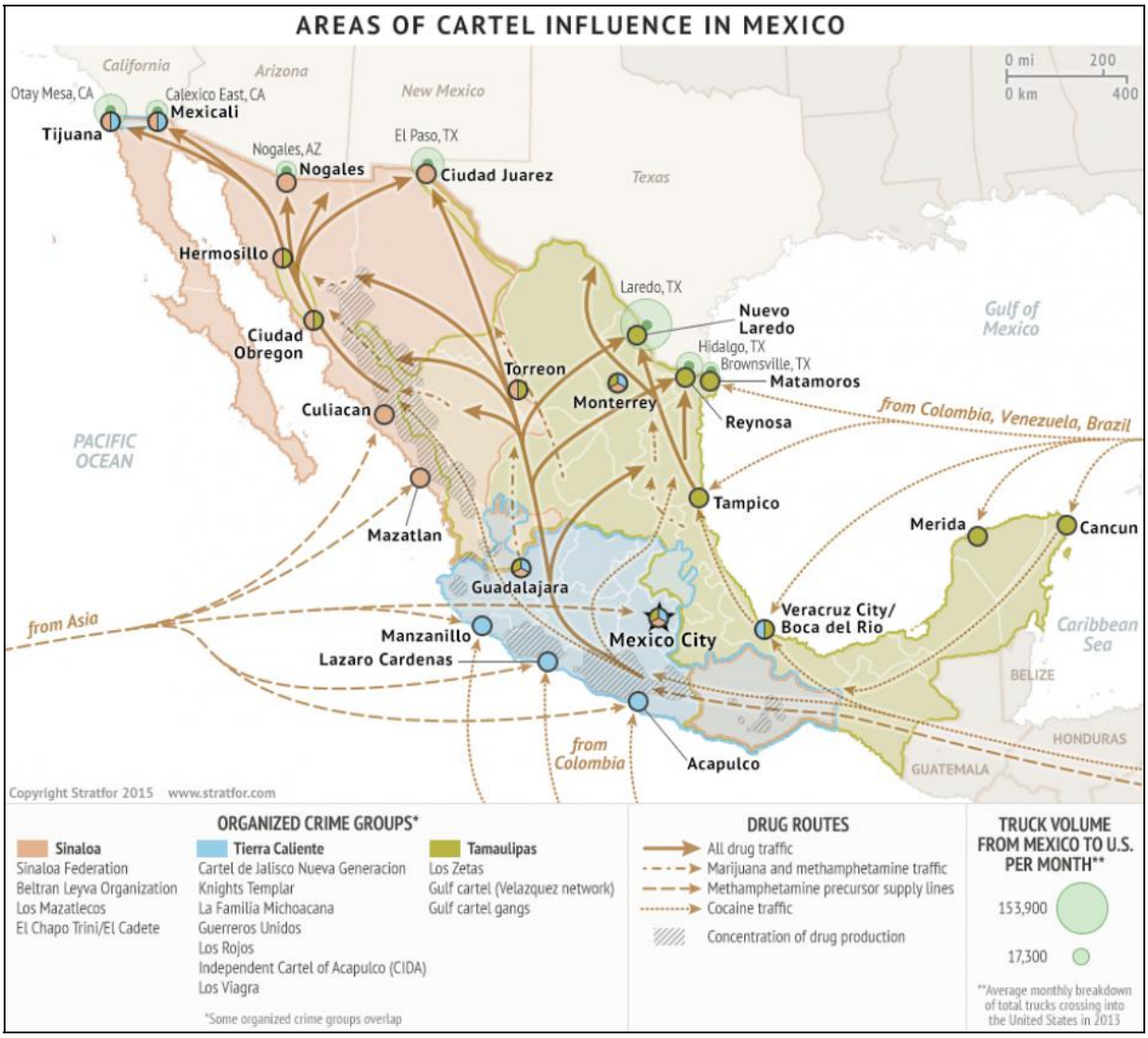
[144] Morris Panner, "Latin American Organized Crime's New Business Model," *ReVista*, vol. XI, no. 2 (Winter 2012). The author comments, "the business is moving away from monolithic cartels toward a series of mercury-like mini-cartels. Whether diversification is a growth strategy or a survival strategy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

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

[146] Often kidnapping and extortion are a mechanism to collect payment for drug deliveries, for example. Weapons trafficking and money laundering are obviously closely tied to drug trafficking. DEA officials suggested in an interview that about 80% of the DTOs income may come from drugs, and they continue to use "DTO" or "cartel" to identify the organizations. CRS interview with DEA officials on August 5, 2011.

Figure 3. Mexico Cartel Map for 2015

Stratfor Global Intelligence



Source: Stratfor Global Intelligence.

Notes: Republished with permission of Stratfor.

The current crime organization landscape is exceptionally fluid, yet several analysts are attempting to define it. For example, in Southern Pulse's publication *Beyond 2012*, Sam Logan and James Bosworth describe the increasing multiplication of groups:

> The tendency for criminal groups in Mexico is toward small and local ... as the number of well-armed criminal groups jumps from the six significant groups we counted in 2006 ... to over 10 in 2012 with a steady growth of new groups to bring the total to possibly over 20 by the end of 2014.[147]

[147] Samuel Logan and James Bosworth, *Beyond 2012*, Southern Pulse, 2012, http://www.southernpulse.com.

Analyst Eric Olson of the Woodrow Wilson Center for International Scholars believes the DTOs are more accurately described as "organized crime groups" and notes that these groups are extremely local in character while engaged in diverse criminal activity. (Many of the actors have diversified beyond the transnational drug trade, as noted above.)

Mexican political scientist Eduardo Guerrero-Gutiérrez also describes fragmentation and has provided a very useful typology of different DTOs (see **Table 1**). He defines four types: national cartels, toll-taker cartels, regional cartels, and local mafias. In 2015, Guerrero identified more than 200 organizations across the country in the final category. Some of these groups do not participate solely in drug trafficking-related violence, but are only engaged in what he terms "mafia-ridden" violence.[148]

Table 1. Drug Trafficking Organizations Typology

Category	Organizations
National cartels These DTOs control or maintain presence on numerous drug routes, including points of entry and exit along the northern and southern borders. Also, they operate major international routes to and from the country. Regardless of their wide territorial presence, they actively seek to expand control over new routes that lead to the north. These organizations have sought to build upon the profits they receive from drug trafficking to diversify their illegal portfolio mainly toward oil theft, a highly lucrative and low-risk activity.	• Jalisco-Nueva Generación • Los Zetas • Sinaloa
Regional cartels These DTOs keep limited control over segments of drug trafficking routes passing through their territory. They play a secondary role in the drug trading business because they receive relatively smaller profits from it. However, these DTOs have aggressively diversified toward other criminal activities, such as extortion, kidnapping, oil theft, smuggling of goods and people, and vehicle theft.	• Golfo • La Familia Michoacana • Los Caballeros Templarios • Pacífico Sur (Beltrán Leyva)
Toll collector cartels These are DTOs whose main income comes from toll fees received from other organizations that convey drug shipments through their controlled municipalities along the northern border. Given that these cartels are largely confined to some border municipalities, they cannot diversify their illegal activities as actively as other DTOs. If these DTOs eventually lose control of their respective border areas, they will probably disappear.	• Juárez (Carrillo Fuentes) • Tijuana (Arellano Félix)
Drug trafficking cells These DTOs are mostly disbanded cells from larger organizations. These are locally based; however, their range of operations can extend from a few contiguous localities to several states. Their business activities are mainly focused in small-scale drug distribution. In some cases, they have extended their illegal businesses toward extortion, kidnapping, and vehicle theft.	In total, have been identified 202 mafia cells. The states with the highest number of mafia cells are Tamaulipas (42), Guerrero (25), and Distrito Federal (24)

Source: Eduardo Guerrero-Gutiérrez, June 2015.

Notes: Information provided to by analyst to CRS on July 14, 2015. Spanish names used in this table are translated as Jalisco-Nueva Generación=Jalisco Cartel-New Generation; Golfo=Gulf; Los Caballeros Templarios=Knights Templar.

[148] Eduardo Guerrero-Gutiérrez, who now heads the firm Lantia Consulting (*Lantia Consultores*) in Mexico, provided this graphic to CRS.

Outlook

The escape of Joaquín "El Chapo" Guzmán, whether or not he is successfully recaptured, has potential consequences for the U.S.-Mexico security relationship and for the DTO landscape in the country and in Central America, if not more broadly. Despite arrests of significant Sinaloa leaders, the organization seems to have fared the best of the major DTOs that have been targeted by the government's kingpin strategy over the years—it has endured since the administration of Felipe Calderón in the early 2000s. Some observers question if the return of a predominant power—or hegemon—among the DTOs could bring about a permanently-lowered state of violence, what some analysts call a "pax mafiosa." Such an accommodation, however, would come at the price of the loss of state legitimacy. Some maintain that a mafia peace led by Sinaloa could potentially replace the complex multipolar and violent situation that has prevailed as large DTOs like Los Zetas and Gulf have broken into competing factions with unstable leadership. On the other hand, the continual flux and fluidity of the DTOs suggests that Sinaloa and its leaders may face a far different criminal environment than what Guzmán encountered when he was last a fugitive.

The goal of the Mexican government's counter-DTO strategy has been to diminish the extent and character of the DTOs' activity from a national security threat to a law and order problem and, once this is achieved, to transfer responsibility for addressing this challenge from military forces back to the police. Removing the military from their domestic policing function in Mexico, however, has not taken place under President Peña Nieto thus far. Instead the Mexican government has been challenged by accusations of human rights abuses, such as extrajudicial executions by members of the Mexican military in the case of an alleged massacre of several people by the army in Tlatlaya, Mexico, in July 2014.

Many U.S. government officials and policymakers have concerns about the Mexican government's capacity to lower the violence in Mexico and to effectively curb the power of Mexico's DTOs. The current government's reliance on a strategy of targeting drug kingpins has lowered the violence in some cases, but not the level of violence overall. (Some press reports maintain that May 2015 homicides crept back up to a level last seen in October 2013.) For some observers, Mexico's DTO challenge remains largely an organized crime or "mafia" problem coupled with endemic corruption. Accordingly, these analysts contend that the most important tools for managing it include long-term institutional reform to replace a culture of illegality and corruption with one of rule of law and respect for lawful authority.

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