



Department of Justice

STATEMENT

OF

**THOMAS M. HARRIGAN
ASSISTANT ADMINISTRATOR AND CHIEF OF OPERATIONS
DRUG ENFORCEMENT ADMINISTRATION**

BEFORE THE

**AD HOC SUBCOMMITTEE ON DISASTER RECOVERY AND
INTERGOVERNMENTAL AFFAIRS
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE**

AT A HEARING ENTITLED

**“EXPLORING DRUG GANGS’ EVER EVOLVING TACTICS TO PENETRATE THE
BORDER AND THE FEDERAL GOVERNMENT’S ABILITY TO STOP THEM”**

PRESENTED

MARCH 31, 2011

**STATEMENT FOR THE RECORD OF
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INTRODUCTION

Drug trafficking and abuse exacts a significant toll on the American public. More than 31,000 Americans – or approximately ten times the number of people killed by terrorists on September 11, 2001, die each year as a direct result of drug abuse. Approximately seven million people who are classified as dependent on, or addicted to, controlled substances squander their productive potential. Many of these addicts neglect or even abuse their children and/or commit a variety of crimes under the influence of, or in an attempt to obtain, illicit drugs. Tens of millions more suffer from this supposedly “victimless” crime, as law-abiding citizens are forced to share the roads with drivers under the influence of drugs, pay to clean up toxic waste from clandestine laboratories, rehabilitate addicts, and put together the pieces of shattered lives. In truth, in order to calculate an actual cost of this threat, we must explore and examine the impact produced by transnational drug crime in corrupting government institutions, undermining public confidence in the rule of law, fostering violence, fueling regional instability, and funding terrorism.

Drug trafficking is a global enterprise that, according to the U.N. Office on Drugs and Crime, generates approximately \$394 billion per year. This figure dwarfs the proceeds from other forms of organized criminal activity and provides a revenue stream for insurgents, terrorists, and other nefarious activity. In order to put this sum into perspective, the proceeds of the global drug trade exceed the gross domestic product of many nations and provide ample motivation to those who would peddle poison for profit. Some argue that legalization and regulation – even at the cost of untold human suffering and misery – would at least strip the traffickers of these enormous profits. But both common sense and history have taught that those who are displaced from the drug trade do not move into corporate life; they migrate into other types of criminal conduct. Those who organize, finance, direct, and control this criminal enterprise thrive in areas where government control is weak. While the drug trade fuels corruption and instability in America, as

well as in foreign countries, it is no coincidence that the so-called “kingpins” who run this global enterprise do not reside in the U.S., where they would be most vulnerable to a more highly effective criminal justice system. Rather, they operate from locations which they perceive to be safe havens, and from there direct the activity of subordinates and surrogates who supply drugs to the U.S. market. This model is intended to not only frustrate attempts to successfully prosecute these criminals, but also to maximize the autonomy of their organizations in the countries where they are headquartered.

Perhaps the clearest example of the relationship between drug trafficking and national security can be found just south of our border. A stable and secure Mexico is in the best interest of both the U.S. and Mexico, but the violent actions and corrupting influence of drug trafficking organizations (DTOs) threatens that stability and security. Since President Calderón took office in December 2006 and set out to bring these cartels to justice, his government has deployed more than 45,000 military troops to assist police in combating cartel influence and related violence. Since the counteroffensive, there have been approximately 34,000 drug-related murders in Mexico in the last five years. More troubling is the fact that many of these brutal murders were committed with the specific intent of intimidating the public and influencing the government to suspend its action against the cartels. Fortunately, the Calderón Administration has been resolute and steadfast in its commitment to break the power and influence of these criminals.

The Calderón Administration has also aggressively investigated allegations of corruption within its own government, arresting hundreds of officials for accepting bribes from the cartels. For instance, the former Deputy Attorney General responsible for prosecuting traffickers was allegedly protecting them for a fee of \$450,000 a month. The problems uncovered in Mexico during the past few years reflect increasing threats to the rule of law and regional stability. The concept of “plata o plomo,” either accept “money or lead” (bullets), is well documented in Mexican drug trafficking culture and refers to the choice public and police officials must make when first confronted by this powerful criminal element. The confluence of brutal violence and corruption makes it difficult to enforce drug laws and undermines public confidence in the government. Left unchecked, the power and impunity of these DTOs could grow to become an even greater threat to the national security of Mexico. With the consent of the Mexican government, DEA has had agents assigned in Mexico since our inception in 1973, which is one of the main reasons why our partnership with Mexico is so robust. We share the responsibility for challenging the threat of these DTOs, and our ability to successfully contend with the threat is vital to both nations.

COOPERATIVE EFFORTS WITH MEXICO

The United States and Mexico are committed to cooperative action to reduce the drug threat from which both nations suffer. Drugs are produced and consumed in Mexico, and are also transited through Mexico as a result of its strategic location between South America and the United States. The Government of Mexico is confronting the entrenched, cross-border smuggling operations and the diversified, poly-drug, profit-minded DTOs within that country. On the U.S. side of the border, the desire for illicit drugs prompts the movement of billions of U.S. dollars and an unknown number of weapons into Mexico annually. Many of the smuggled weapons are used against the Mexican security forces. The single objective of those who ply the drug trade is

profit. The National Drug Intelligence Center (NDIC) estimates that Mexican and Colombian DTOs generate, remove, and launder as much as \$39 billion in wholesale drug proceeds annually. For these reasons, the U.S. and Mexican governments share the responsibility to defeat the threat of drug trafficking.

The drug trade in Mexico has been rife with violence for decades. Without minimizing the severity of the problems we are confronted with today, it is nonetheless critical to understand the background of the “culture of violence” associated with Mexican DTOs and the cyclical nature of the “violence epidemics” with which Mexico is periodically beset. Though no previous “epidemic” has exacted as grisly a toll as the violence seen in years, we do not have to go back very far in history to recall the cross-border killing spree conducted by Gulf Cartel Zeta operatives in the Laredo-Nuevo Laredo area during 2004-2005. However, one thing must remain clear in any discussion of violence in Mexico, DTOs are inherently violent, and nowhere is this truer than in Mexico, where Wild West-style shootouts between drug traffickers against their rivals and law enforcement are far too common. In fact, according to open source reporting and the PGR, over 90 percent of the homicides in the past few years have been of drug cartel members or associates vying for market shares and trafficking routes.

The United States engages in cooperative efforts with our Mexican law enforcement partners to provide information, training, and equipment that will allow Mexican authorities to apprehend, prosecute, and convict these dangerous criminals. The Calderón Administration is taking the fight directly to the cartels. The quantifiable impact of huge drug, weapons, and money seizures presents part of the picture. Equally important, although difficult to measure, is the enormous psychological impact of high-level arrests and the record numbers of extraditions that have occurred in the last few years. No other action by the Government of Mexico strikes quite so deeply at cartel fears than an arrest and extradition. Only weeks after his inauguration, President Calderón began extraditing high-profile criminals to the United States. On January 19, 2007, President Calderón took the politically courageous step of extraditing 15 individuals to stand trial in the United States, including notorious Gulf Cartel leader and Consolidated Priority Organizational Target (CPOT) Osiel Cardenas-Guillen.

Since then, the Government of Mexico has extradited 384 criminals to the United States, including a group of 10 in December 2008 and 25 during December 2010. These individuals were associated with some of the most notorious Mexican DTOs, such as the Gulf, Arellano Felix, and Sinaloa Cartels. Also, on February 25, 2009, Miguel Angel Caro-Quintero, who assumed control of the family organization after the arrest of his brother Rafael Caro-Quintero (who was complicit in the kidnapping, torture, and murder of DEA Special Agent Enrique Camarena) was extradited.

During the past few years, the Government of Mexico has achieved unprecedented success in apprehending or eliminating high value targets (HVT) based in the country of Mexico. For example:

- In March of 2009, Sinaloa Cartel leader and DEA fugitive Vicente Zambada-Niebla (son of Ismael Zambada-Garcia) was located and arrested in Mexico City. On February 19, 2010, Zambada-Niebla was extradited to the United States.

- In October of 2009, Sinaloa Cartel leader and DEA fugitive, CPOT Oscar Nava Valencia aka "El Lobo" was apprehended and arrested near Guadalajara, Mexico. Nava Valencia was extradited to the United States on January 27, 2011 to face drug trafficking offenses in the U.S. District Court for the Southern District of Texas. In December 2009, the "Boss of bosses" CPOT Arturo Beltran-Leyva, a.k.a. "Barbas", was located and killed in Cuernavaca, Mexico after a two-hour gun battle with Government of Mexico forces. Beltran-Leyva was considered one of the most powerful drug lords in Mexico at the time.
- On January 12, 2010, working in cooperation with Mexican counterparts, DEA and U.S. Marshals Service personnel identified the residence of one of Mexico's most wanted fugitives and co-leader of the Arellano Felix cartel, Teodoro Garcia Simental, a.k.a. "El Teo", who was responsible for the majority of the homicides, kidnappings, and tortures in Tijuana. The Secretaría de Seguridad Pública (SSP) Sensitive Investigative Unit (SIU), with support from the Grupo de Operaciones Especiales (Mexican Army Special Operations Group, GOPES), initiated the search and arrest of "El Teo" at the target location and he was arrested without incident.
- On March 13, 2010, Barrio Azteca (BA) members executed Lesley Enriquez, a U.S. Consulate employee; Arthur Haycock Redelfs, husband of Lesley Enriquez and Detention Officer of the El Paso County Sheriff's Office; and Alberto Salcido Cenicerros, husband of U.S. Consulate employee Hilda Antillon in Cd. Juarez, Mexico. After a lengthy and exhaustive investigation, on March 2, 2011, United States Department of Justice Trial Attorneys obtained criminal indictments 35 BA Gang members from Ciudad Juarez, west Texas and southern New Mexico. On March 9, 2011, the El Paso Field Division with its law enforcement partners (22 State/Local/Federal law enforcement agencies) executed an operation on the BA criminal organization in west Texas and southern New Mexico. Of the 35 subjects indicted, 28 are in custody in the United States and Mexico. On April 21, 2010, the Mexican Military (Secretaria de la Defensa Nacional or SEDENA) arrested CPOT Jose Gerardo Alvarez-Vasquez, a.k.a. "El Indio" in Mexico City, Mexico. Alvarez-Vasquez has been operating since the late 1980s and has continued to assert himself among other Mexican cartel leaders, and has been responsible for the distribution of multi-ton cocaine shipments, methamphetamine precursor chemicals, and the production and distribution of methamphetamine.
- On July 24, 2010, SSP arrested Luis Carlos Vazquez-Barragan, aka "El 20", a key lieutenant for CPOT Vicente Carrillo Fuentes, who is the leader of the Juarez Cartel in Chihuahua, Mexico. Vazquez-Barragan is a DEA Albuquerque District Office fugitive and Regional Priority Organization Target (RPOT), who was indicted for Marijuana Possession on March 30, 2005. DEA discovered that Vazquez-Barragan was believed to be the person who gave the order for the detonation of a car bomb in Ciudad Juarez on July 15, 2010, an event that killed three persons, one of them an SSP officer, a doctor who responded to the site of the blast, and an unidentified mechanic.
- On July 29, 2010, CPOT Ignacio Coronel-Villareal, a.k.a. "Nacho", was killed when Mexican soldiers raided a house in a wealthy suburb of Guadalajara, Mexico during an operation conducted in an attempt to capture him. He was one of the four principal leaders of the Sinaloa Cartel/Federation, a cooperating group of drug traffickers that occasionally share resources such as transportation routes and money launderers.
- Since early June of 2010, intelligence was shared with SSP/SIU regarding Edgar Valdez-Villareal, a.k.a. "La Barbie." After numerous attempts to apprehend him, SSP mounted

an operation in the Santa Fe area of Mexico City on August 30, 2010 which resulted in his arrest. Valdez-Villarreal was CPOT Arturo Beltran-Leyva's Lieutenant until Beltran-Leyva's demise, after which Valdez-Villarreal split and formed his own DTO, resulting in escalated violence in Mexico.

- On September 12, 2010, Mexican Navy (SEMAR) personnel responded to information provided by DEA related to the location of Sergio Barragan-Villareal, a.k.a. "El Grande", and arrested him and two other associates. Barragan-Villareal had been in a fight for control of the Beltran-Leyva DTO against Valdez-Villareal.
- On November 23, 2010, the SSP/SIU responded to intelligence regarding Carlos Montemayor-Gonzalez's whereabouts just outside of Mexico City. That afternoon, he was located and apprehended. Montemayor-Gonzalez is the father-in-law of "La Barbie", and had taken over leadership of the DTO after "La Barbie's" arrest on August 30, 2010.
- On November 4, 2010, the Government of Mexico Secretaría de Seguridad Pública (SSP) Sensitive Investigation Unit (SIU) arrested CPOT Harold Mauricio Poveda-Ortega in Mexico City, Mexico. Poveda-Ortega was the primary source of supply for the Beltran-Leyva DTO. The Poveda-Ortega DTO was responsible for coordinating the distribution of approximately 20,000 kilograms of cocaine per month to several Mexican DTOs.
- On November 5, 2010, SEMAR, in conjunction with the DEA Matamoros Resident Office (RO), McAllen District Office (DO), Brownsville RO, SEDENA, and SSP, mounted an operation against the Gulf Cartel in Matamoros, Tamaulipas, Mexico, which resulted in the death of CPOT Antonio Ezequiel Cardenas-Guillen, a.k.a. "Tony Tormenta". Additionally, Sergio Fuentes, a.k.a. "Tyson", the Gulf Cartel Plaza boss in Valle Hermoso, Tamaulipas, and three other members were also mortally wounded during the operation.
- On December 3, 2010, SSP/SIU received intelligence regarding the known whereabouts of Antonio Arcos-Martinez in Morelia. As the result of investigative follow-up by SSP/SIU, Arcos was located and apprehended. Arcos was one of the founders of La Familia cartel.
- In another blow to La Familia, on December 8, 2010, the SSP/SIU and GOPES, in conjunction with the DEA Mexico City Country Office (CO), mounted an operation against La Familia in Holanda, Michoacan, Mexico, which resulted in the death of CPOT Nazario Moreno-Gonzalez, a.k.a. "Chayo". Moreno-Gonzalez was one of two principal leaders of the La Familia Cartel, and he was widely considered the intellectual and spiritual leader of the organization.

All these high-impact actions – seizures, arrests and extraditions - serve to make one important point: desperate/frustrated drug traffickers often resort to increased levels of violence. . Vulnerable drug traffickers operating under unprecedented stress are exceptionally more violent which is why the homicide rates in Mexico have risen so dramatically over the last couple of years.

COOPERATIVE EFFORTS WITH OTHER FEDERAL, STATE, AND LOCAL AGENCIES

DEA continuously works with Federal, State, and local law enforcement counterparts in the United States through joint investigations and the sharing of intelligence. DEA routinely collects and shares intelligence pertaining to violent DTOs and armed groups operating in and around “hot spots” along the Southwest Border (SWB). As of December 31, 2010, with the passage of the SWB emergency supplemental, DEA now has 29% of its domestic agent positions allocated to its Southwest Border field divisions increasing total DEA Special Agent workforce in the region from 1496 to 1546. Additionally, DEA has the largest U.S. law enforcement presence in Mexico with offices in Mexico City, Tijuana, Hermosillo, Nogales, Ciudad Juarez, Mazatlan, Guadalajara, Monterrey, Matamoros, Nuevo Laredo, and Merida, with 60 Special Agent positions. FBI Resolution Six (R-6) Agents, co-located with DEA Agents, coordinate drug and gang investigations conducted in Mexico. They are also responsible for supporting domestic cases for U.S. prosecution, cultivating liaison contacts within Mexico, and supporting bilateral criminal enterprise initiatives. Working closely with counterparts assigned to the Mexican Embassy, Legal Attaches, the El Paso Intelligence Center (EPIC), and the Southwest Intelligence Group, as well as with our federal partners in the U.S. Department of Homeland Security (DHS), and components within the Department of Justice (DOJ), i.e. the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and the United States Marshals Service (USMS), we leverage all available resources and expertise. Close coordination with impacted state and local law enforcement and Mexican counterparts allow real-time access to intelligence and information that facilitated more than 800 convictions related to Mexican DTOs in 2009 alone.

As the lead U.S. law enforcement agency responsible for enforcing the drug laws of the United States, DEA has been at the forefront of U.S. efforts to work with foreign law enforcement counterparts in confronting the organizations that profit from the global drug trade. DEA’s success is due, at least in part, to its single-mission focus. DEA is well positioned to mount a sustained attack on the command and control elements of DTOs; however, DEA does not operate in a vacuum. Rather, DEA and FBI, in conjunction with other Department of Justice (DOJ) components, DHS, the Department of Defense (DOD), the Intelligence Community, and other federal, state, local, and foreign counterparts plan coordinated attacks against all levels of the drug trade with the aim of disrupting and dismantling the command and control elements of these organizations.

The following are several noteworthy interagency efforts being coordinated along the SWB:

- On June 5, 2010 in Albuquerque, New Mexico, Attorney General (AG) Holder, DHS Secretary Napolitano, and Office of National Drug Control Policy (ONDCP) Director Kerlikowske released President Obama’s *National Southwest Border (SWB) Counternarcotics Strategy*, which is designed to provide a road map for the Federal drug control program agencies to follow to stem the flow of illegal drugs and their illicit proceeds across the SWB and to reduce associated crime and violence in the region.
- *The SWB Initiative* is a multi-agency, federal law enforcement operation that attacks Mexico-based DTOs operating along the SWB by targeting the communications systems of their command and control centers. The SWB Initiative has been in operation since 1994. As part

of a cooperative effort, DEA, FBI, CBP, Immigration and Customs Enforcement (ICE), and U.S. Attorneys' Offices around the country conduct judicially approved electronic wire intercepts that ultimately identify all levels of DTOs. This strategy allows the tracking of drugs as they flow from source countries to the streets of the United States.

- The *Southwest Border Intelligence Collection Plan (SWBICP)* was initiated by DEA in October 2009 to coordinate a regional intelligence collection framework housed at EPIC to support enforcement operations on the SWB of the United States. The SWBICP provides operational, tactical, strategic, and policy-level intelligence used to support investigations, regional planning, and resource decision-making. Intelligence gathered under the guidance of the SWBICP is shared with the Intelligence Community, and other federal, state, and local law enforcement agencies. The SWBICP also provides a mechanism to collect information needed to assess counterdrug measures and security threats along the U.S.-Mexico border.
- The *Concealment Trap Initiative (CTI)* targets those vital service providers who build concealed trap compartments or use natural voids in vehicles or other conveyances and residences for DTOs to conceal bulk cash or other contraband. Drug traffickers recognize that "bulk" currency is subject to seizure and easily forfeited when discovered by law enforcement authorities. To counter this, drug traffickers employ a myriad of techniques, including the use of concealment traps, to impede and frustrate law enforcement's efforts to discover and seize illicit drug proceeds. The CTI addresses the challenge of helping law enforcement officers and agents keep up with the technology behind these traps, including training them to identify and locate the traps, and establish probable cause toward obtaining a search warrant or consent to search the vehicle or residence in which the trap is located. Through the CTI program in 2010, DEA seized just under \$39 million, in addition to drugs and weapons.
- *Bulk Cash Seizures* represent the cash proceeds obtained from the illegal trafficking of drugs, weapons, and persons, and are targeted by DEA, FBI, ATF, ICE, and other federal, state, and local law enforcement partners for use in obtaining valuable investigative leads and intelligence data. Going forward, information regarding bulk cash seizures will be simultaneously shared between ICE's Bulk Cash Smuggling Center (BCSC) in Vermont and the National Seizure System (NSS) at EPIC. EPIC-NSS functions as, among other things, a repository for detailed bulk currency seizure information from both domestic and foreign law enforcement agencies. NSS analyzes volumes of bulk currency seizure data and develops investigative lead reports and responds to requests for bulk currency seizure data from agents and officers in the field. EPIC provides a broad spectrum of interagency information and intelligence systems which are capable of immediately assessing the information and assisting law enforcement agencies in obtaining probable cause for search warrants, linking cases together, and following up on existing cases.
- *Organized Crime Drug Enforcement Task Forces (OCDETF) Program* – The OCDETF Program was initiated in 1982 to combine federal, state, and local law enforcement efforts into a comprehensive attack against organized crime and drug traffickers. DEA and FBI are active components of the OCDETF Program, including OCDETF's nine Co-Located Strike Forces. OCDETF Co-Located Strike Forces combine the efforts of multiple federal law enforcement agencies with state and local law enforcement to target the largest drug trafficking organizations that threaten the United States. These Co-Located Strike Forces often collaborate with the Southwest Border High Intensity Drug Trafficking Area (HIDTA) regional task forces in Arizona, California, New Mexico, and West and South Texas.

Southwest Border HIDTA Task Forces represent federal, state, and local partnerships that target Mexican drug cartels and their smuggling and transportation networks, which spawn cartel violence along the border. The OCDETF Co-Located Strike Forces and HIDTA Task Forces have had enormous success in dismantling major Mexican DTOs linked to Mexico-based cartels.

- The *OCDETF Fusion Center (OFC)*, a multi-agency law enforcement intelligence center that is currently led by a DEA Special Agent, provides investigative and operational intelligence support to ongoing drug-related investigations through the development of organizational target profiles and the development of specific investigative leads. These leads and intelligence products are disseminated to the appropriate field elements of the federal agencies through the multi-agency, DEA-led Special Operations Division (SOD). Intelligence and leads relating to other criminal activities, including terrorism, are disseminated through SOD to the appropriate agencies.
- *SOD* is an operational coordination center with the mission of establishing seamless law enforcement strategies and multi-agency operations aimed at dismantling national and international trafficking organizations by attacking their command and control communications. *SOD* is able to facilitate coordination and communication among law enforcement entities with overlapping investigations, ensure tactical and operational intelligence is shared, and that enforcement operations and investigations are fully coordinated among and between law enforcement agencies.
- DEA is a member of the DHS *Border Enforcement Security Task Force (BEST)*, an ICE-led initiative designed to increase the flow of information between participating agencies regarding transnational criminal organizations (TCOs) and violent gangs operating along our shared borders. In particular, BESTs target the underlying sources of cross-border violence along the SWB, such as weapons smuggling, narcotics and human smuggling, and bulk cash smuggling. BESTs commenced operation in Laredo, TX, in July 2005, and DEA's participation in the Laredo BEST began on May 3, 2006. BESTs incorporate personnel from ICE, CBP, USSS, DEA, ATF, FBI, U.S. Coast Guard, and the U.S. Attorney's Office, along with other key federal, state, local, and foreign law enforcement agencies, including the Mexican law enforcement agency SSP.
- The DEA's *Drug Flow Attack Strategy (DFAS)* is an innovative, multi-agency strategy, designed to significantly disrupt the flow of drugs, money, and chemicals between source zones and the United States by attacking vulnerabilities in the supply chains, transportation systems, and financial infrastructure of major DTOs. DFAS calls for aggressive, well-planned, and coordinated enforcement operations in cooperation with host-nation counterparts in global source and transit zones. Operation All-Inclusive (OAI) is the primary DFAS enforcement component in the source and transit zones. Iterations of OAI have been staged annually since 2005. A crucial partner in DEA's Drug Flow Attack Strategy is the Joint Interagency Task Force South (JIATFS). JIATFS provides operational and intelligence fusion support to DEA by coordinating the use of Department of Defense, Department of Homeland Security, and partner nation air and maritime assets in joint operations. These operations are designed to stem the drug flow from the source zone, specifically South America, to the transit zones, which includes Central America and the Caribbean. These joint DEA and JIATFS operations are vital not only in assisting our Central and South American partners, but are designed to significantly reduce drug flow into the United States and to other non-U.S. markets such as Africa and Europe. Given the volume of cocaine

moving through the transit zone, DEA remains committed to a focused, multiagency strategy, working with JIATFS, U.S Southern Command and our partner nations to not only interdict the drug loads, but to identify, disrupt, and dismantle the transnational criminal organizations trafficking their illicit drugs throughout the globe. The 2010 SWB supplemental provided an additional \$5.3 million to expand DFAS to enhance its focus on the SWB region.

- *Operation Doble Via (ODV)*, the domestic component of OAI, was conducted between April and September 2007 to disrupt the flow of drugs, chemicals, and money across the SWB. ODV took place on both sides of the border and the main participants were DEA, CBP, Texas DPS, and several Mexican agencies, including the Federal Investigative Agency (AFI), Federal Preventive Police (PFP), Mexican military, and the Deputy Attorney General's Office of Special Investigations on Organized Crime (SIEDO). *Operation Doble Via II*, which commenced in August 2010 and concluded November 30, 2010, focused on the Arizona-Mexico border. Through the collection of law enforcement intelligence information and the development of investigations specifically targeting the Arizona border region, ODV-II sought to dismantle DTOs and other armed groups responsible for the violence in Sonora, Mexico, and the movement of drugs, weapons, and money across the border with Arizona. Operation ODV-II resulted in the seizure of 71.8 metric tons of marijuana, 125 kilograms of methamphetamines, 327 kilograms of cocaine, 78 kilograms of heroin, \$9,269,509, and produced 202 arrests.
- *EPIC* is a national tactical intelligence center that focuses its efforts on supporting law enforcement efforts in the Western Hemisphere, with a significant emphasis on the SWB. Through its 24-hour watch function, EPIC provides immediate access to participating agencies' databases to law enforcement agents, investigators, and analysts. This function is critical to the dissemination of relevant information in support of tactical and investigative activities, deconfliction, and officer safety. EPIC also provides significant, direct tactical intelligence support to state and local law enforcement agencies, especially in the areas of clandestine laboratory investigations and highway interdiction.
- EPIC's *Gatekeeper Project* is a comprehensive, multi-source assessment of trafficking organizations involved in and controlling the movement of illegal contraband through "entry corridors" along the SWB. The analysis of Gatekeeper organizations not only provides a better understanding of command and control, organizational structure and methods of operation, but also serves as a guide for policymakers to initiate and prioritize operations by U.S. anti-drug elements. Numerous "Gatekeepers" have direct links to Priority Target Organizations (PTOs) and/or CPOTs.
- Implementation of *License Plate Readers (LPR)* along the SWB by DOJ and DHS has provided a surveillance method that uses optical character recognition on images that read vehicle license plates. The purpose of the LPR Initiative is to combine existing DEA and other law enforcement database capabilities with new technology to identify and interdict conveyances being utilized to transport bulk cash, drugs, weapons, as well as other illegal contraband. Almost 100 percent of the effort and cost associated with monitoring southbound traffic is directed at the identification, seizure, and forfeiture of bulk cash and weapons, while the effort and cost of monitoring northbound traffic is both enforcement and forfeiture-related, in that suspect conveyances can be identified for later southbound monitoring. DEA components have the ability to query and input alerts on license plates via an existing DEA database, and other law enforcement agencies can do the same via EPIC. DEA and CBP are currently working together in order to merge existing CBP LPRs at the points of entry with

DEA's LPR Initiative. In addition, the FY2010 SWB supplemental provided \$1.5 million to expand the LPR initiative by purchasing additional devices and barrels and support maintenance to allow DEA to monitor traffic and provide intelligence on bulk currency transiting toward Mexico.

- The *SIU Program* is the foundation for building an effective and trustworthy unit capable of conducting complex investigations targeting major Mexican DTO's. The program provides DEA with a controlled and focused investigative force multiplier that allows DEA access to a global transnational enforcement and intelligence network which directly supports DEAs Drug Flow Attack Strategy (DFAS). The additional programs funded by the Merida Initiative facilitate anti-corruption and police professionalization efforts in a broader context, which will serve the public interest. The FY 2010 SWB supplemental provided an additional \$2 million for the SIU program.

CONCLUSION

The daily challenges posed by DTOs in the United States and Mexico are significant, but are overshadowed of late by a very specific set of challenges, such as ensuring that the rampant violence in Mexico does not spill over our border; closely monitoring the security situation in Mexico; and, perhaps most importantly, lending our assistance and support to the Calderón Administration to ensure its continued success against the ruthless and powerful cartels. The Government of Mexico has realized enormous gains in re-establishing the rule of law in Mexico, and in breaking the power and impunity of the DTOs which threaten the national security of both Mexico the United States.

The Calderón Administration's gains are contributing to an unparalleled positive impact on the U.S. drug market as well. From January 2007 through September 2010 the price per gram of cocaine increased 68.8 percent from \$97.71 to \$164.91, while the average purity decreased by 30 percent. These statistics paint a clear picture of restricted cocaine flow into the United States and decreased availability. While spikes – upward or downward – in price and purity have been observed in the past, these indicators typically normalize within a few months. Unlike in the past, we are now in the midst of a sustained, three-year period of escalating and decreasing purity. Anecdotal evidence from around the country and closer to home here in the District of Columbia, including intercepted communications of the traffickers themselves, corroborates the fact that President Calderón's efforts have contributed to making it more difficult for traffickers to supply the U.S. market with illicit drugs.

DEA recognizes that interagency and international collaboration and coordination is fundamental to our success. It is imperative that we sustain the positive momentum by supporting President Calderón's heroic efforts against organized crime. We must also manage expectations, as we anticipate that the gruesome violence in Mexico may continue to worsen before it gets better. We must recognize that we are witnessing acts of true desperation - the actions of wounded, vulnerable, and dangerous criminal organizations. We also remain committed to working with our U.S. law enforcement and intelligence partners to stem the flow of bulk cash and weapons south, while also working to sustain the disruption of drug transportation routes northward. Bringing to justice the organizations and principal members of organizations involved in the

cultivation, manufacture, and distribution of controlled substances appearing in or destined for illicit trafficking in the United States remains the core of our focus.