

CLASSIFICATION: UNCLASSIFIED
Page 1 of 6

RELEASED IN
FULL

From: Brady, Juliette D (Mexico City)
Sent: 5/19/2010 12:24:29 PM
To: SMART Core
Subject: MERIDA AT 18 MONTHS - PART III MANAGEMENT OPPORTUNITIES AND CHALLENGES

UNCLASSIFIED



MRN: 10 MEXICO 2086
Date/DTG: May 19, 2010 / 191623Z MAY 10
From: AMEMBASSY MEXICO
Action: WASHDC, SECSTATE ROUTINE
E.O.: 12958
TAGS: SNAR, KCRM, KJUS, PGOV, PREL
Captions: SENSITIVE
Pass Line: STATE FOR INL AND WHA/MEX
TREASURY FOR ENFORCEMENT SECRETARY
DOJ FOR BSWARTZ/KBLANCO DEP ASSIST
FBI DIR FOR LA/CU, OC/DB, OIU, CID
DEA FOR OD, OF, OFC, AO, DO, NPSM
CUSTOMS FOR LA OPS AND FOR OIA/WHB
Subject: MERIDA AT 18 MONTHS - PART III MANAGEMENT OPPORTUNITIES AND CHALLENGES

SUMMARY

1. (SBU) A total of \$1.12 billion has been authorized for Mexico during the first two years of the Merida Initiative. This huge financial investment by the USG, although small in comparison to the GOM's financial commitment to the struggle against organized crime, has concurrently required a significant increase in staffing and support services in order to effectively manage the funds. The growing pains experienced over the past two years, including a tripling of staffing, build-out of new offices, and significant training and restructuring of key sections, have led to the emergence of a management team and structure capable of supporting the demands of a project the size of the Merida Initiative. End Summary

STAFFING LEVELS TRIPLE

2. (SBU) In August 2008, NAS Mexico had a total of 19 staff, which increased to 43 by August, 2009, 51 in March, 2010 and is expected to reach 69 in August, 2010, representing a tripling of staff in two years. Staff includes

REVIEW AUTHORITY: Alan Flanigan, Senior Reviewer

CLASSIFICATION: UNCLASSIFIED
Page 1 of 6

CLASSIFICATION: UNCLASSIFIED

Page 2 of 6

a creative and dynamic mix of FSOs (an increase from 2 to 6), U.S. PSCs (from 6 to 18), LESSs (from 11 to 35), EFMs, summer hires, WAEs, detailees and local contractors. The pool of talent spans a wide variety of expertise dedicated to more effectively managing the Merida Initiative portfolio of programs and projects in conjunction with the Mexican Government. In addition, NAS management staff provides financial management and funds availability oversight and support to the NAS offices in Central America (CEN) and the Caribbean region (CAR).

OFFICE SPACE AT A PREMIUM

3. (SBU) With a significant increase in staffing, NAS office space is bursting at the seams. NAS has had to find innovative solutions within the Embassy to house its staff, currently utilizing space on the fourth floor, second floor, and two basement levels. The director gave up his office and the deputy director moved into a cubicle to create additional temporary bullpen space.

4. (SBU) NAS is now poised to move its front office and project management staff to shared USG-GOM office space in an office building next to the Embassy, which will help alleviate this staff-space tension. The bi-national office will house both USG and GOM program managers, and it is envisioned that this physical proximity will facilitate closer consultation and decision-making between both parties, as well as a potent symbol of the depth of bilateral cooperation.

ACCOUNTING

5. (SBU) NAS Mexico has been providing regional accounting and funds control functions under the Merida Initiative since January of 2009, when the first Central American post, Honduras, received its allotment. NAS Mexico's accounting division is now fully staffed and consists of five accountants, including a Supervisory Accountant and one accountant fully dedicated to CEN and CAR posts. By closely collaborating with CEN/CAR posts, discussing lessons learned, and sharing best practices, NAS Mexico has been able to provide administrative support to continue the successful implementation of the Merida Initiative throughout the region.

6. (SBU) In March of 2009 and February of 2010, various members of the NAS Mexico team attended the Annual INL Merida Initiative workshops in Guatemala. NAS Mexico led roundtable discussions on procurement, acquisitions, personnel and financial management.

PROCUREMENT

7. (SBU) Without question, the area where we have had the greatest

CLASSIFICATION: UNCLASSIFIED

Page 2 of 6

challenges to date has been procurement of goods and services. We have had lengthy delays in the procurement of key pieces of equipment and in the hiring of personnel. Working closely with Washington and RPSO, however, we continue to improve our systems through training, hiring of new staff with the required expertise, and new management tools. We established a Contracting Officer position in Mexico with a \$10 million warrant (maximum \$250,000 per action) and hired a talented EFM with a business background and experience managing multi-million dollar projects. We also organized a one-week on site Contracting Officer Representative (COR) FSI-training for 28 of our NAS staff; this innovative project led to the certification of these 28 individuals and allowed for an open exchange on the issue of procurement that advanced our understanding and capacity immensely. NAS is also investigating having a warranted Grants Officer as well as several Grants Monitors at post.

8. (SBU) NAS brought on a contract administration advisor to provide expertise and assistance to program coordinators with strategic acquisition and procurement planning, writing succinct Statements of Work, and determining appropriate contracting mechanisms (in conjunction with RPSO and INL) that might help expedite the acquisition process. Additional training in contracting and procurement components is under consideration for program coordinators, including Independent Government Cost Estimates, establishing technical evaluation criteria for proposals, and the use of best value and trade-off in negotiation. In the spirit of transparency and in an effort to help manage the expectations of our GOM counterparts, who are new to this type of cooperative relationship with the USG, we also offered a primer in USG procurement and administration. The program was well received and we have received requests for additional sessions.

9. (SBU) A tracking system, which integrates data from Ariba and internal NAS databases, has been developed in order to better monitor past and present procurement actions. Work has begun on a system for integrated acquisition and procurement planning for all programs and we have hired an EFM to manage the project tracking system. The procurement section previously focused on micro purchases, but now dedicates significant time to purchases over \$250,000. While there is currently a 60-day backlog of procurement actions, the impending hiring of additional contract staff under a BPA should resolve this impasse.

EQUIPMENT

10. (SBU) There has been minimal capital equipment required to support this growth other than build-outs and office equipment. NAS has received \$9.6M in PD&S to date and obligated \$9.3M (97%). NAS spent \$5.1M on the Bi-national Implementation Office. An additional \$6.8M originally budgeted for PD&S in FY08 was reprogrammed to projects and we are in the process of reprogramming another \$13.5M from FY09.

End Use Monitoring

CLASSIFICATION: UNCLASSIFIED

Page 4 of 6

11. (SBU) Mexican Government agencies, such as the attorney general's office (PGR), Customs (SAT), Federal Police (SSP), Secretariat of Defense (SEDENA), and Immigration Service (INAMI) comply with the end use monitoring (EUM) process discussed in the donation letter of agreement. Additionally, NAS program coordinators conduct periodic visits to these listed agencies and have established an EUM reporting mechanism to facilitate the process. In cases where donated equipment has reached the end of its life cycle, the Mexican Government agencies report to NAS and assist with the disposal process when appropriate.

NAS uses scheduled and unscheduled on-site, physical inspections as the primary method of monitoring INL-funded resources. The inspection reports include the percentage (%) of donated items personally inspected, the number of scheduled on-site inspections performed, unscheduled on-site inspections performed, number of counterpart sites and cities visited, the date and location of on-site inspections performed, and the number of donated items subject to inspections.

GETTING EQUIPMENT ACROSS THE BORDER

12. (SBU) NAS Management worked closely with the SRE to implement a new procedure to avoid and illuminate delays on the importation of Merida Initiative project items. The SRE designated customs and importation "desk officers" who have been designated to be the single points of contact for importation and customs issues. Customs has an internal SOP that is used to ensure the bottlenecks we previously experienced with modest amounts of deliveries are not repeated with the large-scale deliveries of Merida. The system is not perfect, but most Mexican customs and border agencies now know who to contact in the SRE to avoid bottlenecks, alleviating most problems.

WHAT THE FUTURE HOLDS

13. (SBU) Within the next 18 months, NAS will have 69 staff on board, not counting short-term contractors for Ciudad Juarez and San Luis Potosi. One issue that has come up recently that deserves attention is that while INL has made every effort to ensure that U.S. PSCs are treated on par with FSOs (even to the level of detail of providing a stipend for insurance that would normally be part of their regular employment) we now have an issue of inequality in that FSOs receive overseas locality pay and PSCs do not. This should be addressed in the future to retain that equity and not open a divide between these two key complements of personnel. In addition, flexibility and a willingness to experiment are essential during the coming months in order to meet the needs of new staffing, especially Mexican professionals on short term contracts. NAS is considering all possible options to get needed personnel on board, including BPAs and using existing IDIQs with service providers.

14. (SBU) Increased staffing in contracting and procurement will help address gaps and delays in procurement, as well as specific training for

CLASSIFICATION: UNCLASSIFIED

Page 4 of 6

PSCs, increased support in acquisition and procurement planning, and working closer with both RPSO and INL. NAS is investigating the possibility of increasing the warrant for the Contracting Officer at post, as well as adding a warranted Grants Officer at post.

ACCOUNTING: NAS Mexico is fully staffed and capable of providing needed financial and administrative services to the rest of Central America and the Caribbean. This is in keeping with the trend in recent years for USG financial and administrative services to be increasingly consolidated across regions.

OFFICE SPACE: The bi-national office is set to open May 14, with the full move-in of U.S. staff on May 24. NAS expects that the physical proximity of both Mexican and U.S. personnel will expedite program planning and implementation, as well as help resolve bottlenecks and obstacles through the ability to hold open and frank consultations on implementation issues on a more regular basis.

CONCLUSION

15. (SBU) The Management platform to support the Merida Initiative is now fully in place. The staffing chart, predicated on lessons learned in Colombia and other large NASes, proved to be just what was needed. NAS Management is now in the position to provide full support, especially in the areas of strategic acquisition planning and solid financial oversight.

With the opening of the Binational Implementation Office on May 14 the pace of programs will increase. NAS Management is up to the support challenge, and also looks forward to continuing to provide regional financial management and other support as needed.

Signature:	FEELEY
<hr/>	
Drafted By:	MEXICO:MINES, KEITH (Mexico City), REICHERT, AMY (MEXICO CITY)
Cleared By:	FEELEY, JOHN AID, POL, ODC, DOJ
Approved By:	MEXICO:Brady, Juliette D (Mexico City)
Released By:	MEXICO:Brady, Juliette D (Mexico City)
Info:	DIR ONDCP WASHINGTON DCROUTINE ; DEPT OF TREASURY WASHINGTON DCROUTINE ; DEPT OF JUSTICE WASHINGTON DCROUTINE ; FBI WASHINGTON DCROUTINE ; DEA HQS WASHINGTON DCROUTINE ; ATF INTEL WASHINGTON DCROUTINE ; NATIONAL DRUG INTELLIGENCE CENTER JOHNSTOWN PAROUTINE ; EPIC EL PASO TXROUTINE ; SECDEF WASHINGTON DCROUTINE ; JOINT STAFF WASHINGTON DCROUTINE ; HQ USNORTHCOMROUTINE ; HQ USSOUTHCOM MIAMI FLROUTINE ; DEPT OF HOMELAND SECURITY WASHINGTON DCROUTINE ; US CUSTOMS AND BORDER PROTECTION WASHINGTON DCROUTINE ; ALL US CONSULATES IN MEXICO COLLECTIVEROUTINE ; WHA CENTRAL AMERICAN COLLECTIVEROUTINE

Dissemination Rule: Archive Copy

UNCLASSIFIED

ACTION INL-00

RELEASED IN FULL

INFO LOG-00 MFA-00 EEB-00 AID-00 CIAE-00 DODE-00 DOEE-00
 DOTE-00 WHA-00 DS-00 DHSE-00 OIGO-00 E-00 FAAE-00
 UTED-00 VCI-00 FOE-00 TEDE-00 INR-00 IO-00 L-00
 MOFM-00 MOF-00 VCIE-00 DCP-00 NSAE-00 ISN-00 NSCE-00
 OMB-00 EPAU-00 PA-00 PER-00 PM-00 PRS-00 P-00
 SCT-00 ISNE-00 DOHS-00 SP-00 IRM-00 TRSE-00 T-00
 NCTC-00 FMP-00 BBG-00 EPAE-00 IIP-00 PMB-00 DSCC-00
 PRM-00 DRL-00 G-00 NFAT-00 SAS-00 FA-00 SWCI-00
 /000W

-----3628C6 262242Z /38

R 262218Z FEB 09
 FM AMEMBASSY MEXICO
 TO SECSTATE WASHDC 5328
 INFO DEA HQS WASHINGTON DC

UNCLAS MEXICO 000566 **REVIEW AUTHORITY: Oscar Olson, Senior Reviewer**

STATE FOR INL/RM, INL/LP; DEA FOR OD, OF, OFC, NPSM

E.O. 12958: N/A
 TAGS: PREL, AFIN, SNAR, MX
 SUBJECT: MEXICO: END-USE MONITORING REPORT FOR CALENDAR YEAR 2008

REF: 08 STATE 127211, 09 STATE 015905

I. PROCEDURES

A. INVENTORY MANAGEMENT

EUM Program coordinator

 Fred Schellenberg - IT/Infrastructure Advisor, 52-55-5080-2000, Ext.
 4102, SchellenbergFA@state.gov

Paul Mahlstedt - Law Enforcement Advisor, 52-55-5080-2000, Ext.
 4534, MahlstedtPW@state.gov.

William Carroll - Border/POE Security Coordinator, 52-55-5080-2000,
 Ext. 4185, CarrollIWJ@state.gov

Andrew Zgolinski - Aviation Advisor, 52-55-5080-2000, Ext. 4192,
 ZgolinskiAB@state.gov

Gabriel Lara - FSN Storekeeper, 52-55-5080-2000, Ext. 4416,
 LaraG@state.gov

Inventory System

 During CY2008 GOM officials regularly signed Notes of Agreement
 (NOAs) documenting receipt of donated commodities. The NOA's specify
 the items donated, their quantities, descriptions, serial numbers,
 intended use, locations and the legal authority for donation and

receipt of such goods. Use of these documents has helped GOM and NAS officials to develop and maintain a centralized inventory of donated equipment. Parallel records are also kept by individual Project Coordinators and NAS Accounting. These records are updated periodically through field visits, the comparison of USG written records with GOM written records and through discussions held with GOM contacts.

Staff member EUM Responsibilities

William Carroll - Border Security Projects (BSP) Advisor. Serves as the project advisor for all projects falling under the border security program area. The BSP Coordinator regularly performs on-site visits throughout Mexico's POEs and gathers end use information through verbal communications with GOM contacts.

Fred Schellenberg - IT Projects and Infrastructure Advisor. Advises GOM agencies on matters related to IT. Maintains ongoing communications with GOM contacts and assesses the use of donated equipment associated with IT projects.

Andrew Zgolinski - Aviation Advisor. Advises GOM agencies on all aviation related matters dealing with anti-narcotics operations, i.e. training, maintenance, equipment, etc. End-use information is gathered by regular on-site visits with the assistance of FSN Gabriel Lara, written weekly and monthly reports, and verbal communications with GOM contacts.

Other USG Agency Assistance

- -- Drug Enforcement Administration (DOJ/DEA)
-- Office of Defense Coordination (DOD/ODC)
-- Customs and Border Protection (DHS/CBP)
-- Immigration and Customs Enforcement (DHS/CBP/ICE)

These agencies collaborated frequently with NAS in order to achieve stated mission plans. Of these agencies, NAS collaborated frequently with DHS/CBP in the identification, testing, selection, implementation, and analysis of non-intrusive inspection equipment (NII). In addition, DHS/CBP/ICE provided ongoing advice for NII x-ray equipment used at major Mexican airports.

B. COUNTERPART AGENCIES

Recipients

GOM federal agencies requested and received USG-provided equipment. Following the receipt of commodities, these agencies collaborated with NAS in the EUM process by sharing inventory records, usage level and status of commodities information. They also assisted in scheduling and accompanied project advisors on on-site visits. Specifically, these agencies include:

- Office of the Attorney General (PGR)
-- Secretariat of Public Security (SSP)
-- Secretariat of Government (SEGOB)

- Secretariat of National Defense (SEDENA)
- Secretariat of Finance and Public Credit, Customs (SAT)
- Secretariat of Public Health's National Commission for Protection against Health Risks (COFEPRIS)
- Secretariat of Communications and Transportation (SCT)
- Federal Preventive Police (PFP)
- National Immigration Institute (INAMI)

Receipt

GOM federal agencies that receive USG donated equipment are required to sign Notes of Agreement. In some cases, GOM entities request in writing that NAS personnel procure specific items of equipment for certain projects. Nonetheless, NAS personnel generally do not await receipt of such written requests before conducting individual purchases for projects agreed to in advance by both Governments under the signed Letters of Agreement and Amendments. Upon delivery of major equipment, NAS personnel prepare NOAs to document receipt of equipment. These NOAs specify the donated items, quantities, descriptions, serial numbers, and authority for the donation.

C. ON-SITE INSPECTIONS

In CY 2008 approximately 55% of all donated items were inspected on-site. Of the remainder, 10% were inspected by means of comparing bi-lateral written records and the balance through discussions with GOM contacts.

D. SECONDARY METHODS OF MONITORING RESOURCE STATUS

Comparison of Records

In CY 2008 45% of USD donated equipment was not physically inspected. However, NAS was able to obtain information regarding the status and use of this equipment through comparison with GOM written and digital records and through discussions with GOM contacts.

Discussions

When on-site inspections are not feasible, post may hold discussions with host government officials on the status of INL funded resources.

II. STATUS-COMMODITIES

From October 27 2008 through November 7 2008, a random physical inspection was performed by DEA Resident Offices in Ciudad Juarez, Guadalajara, Hermosillo, Mazatlan, Merida, Mexico City, Monterrey and Tijuana of the equipment utilized by the Special Investigative Units of the Federal Police. A complete physical inventory of the individual offices is available upon request.

In 2008, NAS completed donations of commodities to various Mexican agencies summarized below. An extensive listing of commodities provided under these NOAs is available upon request.

--Federal Preventive Police (PFP) - computer and office equipment, cell phones and cameras.

--Secretariat of Finance and Public Credit, Customs (SAT) - computer and office equipment, a server, six money counters, 15 handheld ion scanners, 68 endoscope and densimeter kits.

--Office of the Attorney General (PGR) - computer and office equipment and money counters.

--National Institute of Psychology (INP) - computer and office equipment

--Secretariat of Public Security (SSP)- computer equipment for Plataforma Mexico, five ion scanners.

--National Banking Commission (CNBV) - computer and office equipment

--National Immigration Institute (INAMI) - computer and office equipment

III. STATUS-INVENTORIES

A. AIRCRAFT

UH-1H interdiction helicopters were based at the following locations:

- XC-BBA Insurance Repair Station
- XC-LIX Hermosillo
- XC-BBG Guadalajara
- XC-HGR Insurance Repair Station
- XC-BBH Guadalajara
- XC-JAX Guadalajara pending destruction
- XC-BBJ Caborca
- XC-LJJ Mexico li
- XC-JAD Guadalajara
- XC-JAQ Guadalajara pending destruction
- XC-LJK Chetumal
- XC-JAN Guadalajara pending destruction
- XC-LIY Guadalajara
- XC-JAV Guadalajara pending destruction
- XC-JAM Guadalajara pending destruction

- XC-JAO Guadalajara pending destruction
- XC-BBL Santana
- XC-JAA Guadalajara pending destruction
- XC-JAS Insurance Repair Station
- XC-JAR Guadalajara pending destruction
- XC-JAU Destroyed in accident
- XC-BBF Acapulco
- XC-BBE Guadalajara
- XC-BBD Guadalajara pending destruction
- XC-LIW Insurance Repair Station

- XC-LIZ Tapachula
- XC-LKF Acapulco
- XC-LKG Ciudad Carmen

Schweizer SAC-333 helicopters for aerial surveillance and border security were based in the following locations:

- XC-DAF Destroyed in accident
- XC-DAH Nogales
- XC-DAJ Mexicali
- XC-UAJ Guadalajara
- XC-LJH Ciudad Carmen
- XC-LJI Guadalajara
- XC-LJL Chetumal
- XC-LJY Guadalajara
- XC-LJX Culiacan
- XC-LKC Acapulco
- XC-LKD Chihuahua

Aircraft parts, valued at approximately \$24 million, for the UH-1Hs were delivered in the second half of December to the PGR's main maintenance base and warehouse in Guadalajara. As of the end of the year the parts were being inventoried and entered into the PGR's tracking system.

B. VEHICLES

Mexican Customs (SAT)

- Three NAS-funded non-intrusive inspection (NII) x-ray minivans operated in the passenger luggage-handling areas at the international airports in Mexico City (two) and in Cancun (Quintana Roo), detecting bulk shipments of illicit cash and other contraband.
- Twelve installed Portal VACIS units, purchased for and delivered to SAT from 2004 to 2007, inspected trucks and trailers for arms, drugs, and other contraband at the following northern Mexico strategic ports of entry: Colombia (Nuevo Leon - 2); Nuevo Laredo (Tamaulipas - 2); Piedras Negras (Coahuila - 2); Nogales (Sonora - 2); Mexicali (Baja California Norte); Otay Mesa (BCN); Ciudad Jurez (Chihuahua); and Reynosa (Tamaulipas). Other installed NAS-purchased NII equipment, including a railroad VACIS at Mexicali and a Pallet VACIS at the Mexico City International Airport, detected rail and air contraband, respectively. NAS visited these units during 2008, the Mexico City airport Pallet VACIS being shown regularly to visiting USG officials.
- In 2008, NAS purchased an x-ray minivan and 10 x-ray backscatter vans for SAT.

Mexican Federal Police (SSP/AFI)

- The Federal Police (SSP/AFI) operated three USG-provided NII mobile Gamma radiation VACIS (Vehicle and Cargo Inspection Systems) vehicles donated by the NAS in November 2005. These vehicles, joined

by five other similar units purchased by SSP/AFI in 2007, operated at unannounced locations throughout Mexico for short periods of time, inspecting trucks and trailers for contraband. NAS personnel saw the USG-provided trucks operating along Mexican highways once each quarter during the reporting year.

Secretariat of Communications and Transportation (SCT)

-- The six SENTRI (Secure Electronic Network for Travelers Rapid Inspection) Access Lanes constructed in Mexico by NAS between 2004 and 2007, which included infrastructure such as concrete, signs, lane barriers, relocating trees and kiosks, light poles, paint, reflectors, etc., continued being operated by the Secretariat of Communications and Transportation (SCT) at the following major northern ports of entry: Tijuana (BCN); Mexicali; Nogales; Nuevo Laredo; Matamoros (Tamaulipas); and Reynosa. NAS officers saw the lanes in use throughout the year during office-related and personal trips across the border.

Office of the Attorney General (PGR) and Secretariat of Public Security (SSP) Special Investigative Units

--This inventory dates back to 1998, and two changes of administration have occurred in Mexico since then. The GOM recently merged the Agencia Federal de Investigaciones (AFI) and the Policia Federal Preventiva (PFP), creating the new Federal Police. Over this period of time, vehicles donated by NAS to the Special Investigative

Units have been transferred to different locations and agencies consistent with GOM priorities in the fight against narcotics.

Vehicle Current Inventory

Volkswagen Jetta CL	7
Volkswagen Sedan	6
Nissan	3
Kawasaki motorcycles	9
Jeep	2
Ford Lobo	16
Ford Explorer	4
Ford Freestar	4
Ford Mondeo	11
Ford F250	4
Yamaha motorcycles	10
Chevy Malibu	6
Chevy Cheyenne	6

Twelve non-armored surveillance vehicles, the six Chevy Malibu sedans and six Chevy Cheyenne 4x4 pickups listed above, were donated to SSP in CY2008. A total of 38 vehicles were purchased in CY2008 with NAS funds for the vetted units. The remaining 26 vehicles, Chevy Surburban 4x4, will be donated to SSP in CY2009.

C. VESSELS - N/A

D. WEAPONS - N/A

III. STATUS SERVICES

A. CONSTRUCTION PROJECTS - N/A

B. DEMAND REDUCTION SERVICES - N/A

C. OTHER PROFESSIONAL SERVICES

The professional services provided by NAS have allowed Mexico to advance its prosecutions of drug traffickers and combat terrorism.

Mexican Customs (SAT)

--The first three x-ray minivans are in the last year of a three-year USG-funded extended maintenance contract; the fourth minivan, as yet not operational, is under its initial USG-funded warranty year, with an additional USG-funded one year extended maintenance contract already in place; the ten x-ray vans, also not on-line as yet, have a USG-funded initial warranty year and a one-year extended maintenance contract in place; NAS still provides initial crew training for these ten x-ray units.

Secretariat of Public Security (SSP)

--The three gamma radiation mobile trucks are in the third year of a USG-funded six-year extended maintenance contract.

7. PROGRAM IMPACT

A. COMMUNICATIONS EQUIPMENT

Telecommunications equipment donated by NAS has facilitated interconnectivity within the Government of Mexico and with elements of the USG. For example, one project, OASISS, supports near daily interchange of information between the PGR and the DHS CBP relating to illegal human smuggling cases.

B. WEAPONS - N/A

C. CONSTRUCTION PROJECTS - N/A

D. SURVEILLANCE EQUIPMENT

The USG-provided NII equipment, both mobile and fixed, have given the GOM additional capability in detecting and confiscating drugs, weapons, chemicals, explosives, laundered money, as well as other contraband, at diverse, and often constantly changing strategic locations throughout Mexico; the x-ray minivans alone have contributed to SAT discovering over USD 70 million in cash since the beginning of calendar year 2004. Following delivery and manufacturer training, NII units delivered in CY2008, which can detect drugs, chemicals, weapons, laundered money, explosives, and other contraband, began entering operational use at the close of the year.

E. VESSELS - N/A

F. LABORATORY EQUIPMENT

During 2008 NAS provided PGR with an Integrated Ballistics Identification System (IBIS) and related equipment. This equipment allows firearms examiners and technicians to acquire analog images of the markings made by a firearm on bullets and cartridge casings.

G. AIRCRAFT

The USG-provided aircraft are an integral part of the PGR's interdiction and border security activities. The UH-1Hs are indispensable for the end game in interdiction activities by transporting law enforcement personnel to make seizures and arrests, transporting seized drugs and arms, and pursuing suspects. The Schweizer helicopters, with their sensors and cameras, are used to patrol the border areas and support police ground activities.

H. VEHICLES - N/A

I. OTHER - N/A

V. PROBLEMS & CORRECTIVE ACTION PLAN (CAP)

A. UNMONITORED RESOURCES - N/A

B. REPAIR AND MAINTENANCE OF COMMODITIES

Even though NAS-funded maintenance programs, through manufacturer representatives based in Mexico, were in place on all major USG-provided NII equipment, GOM agencies still failed at times to follow procedures for reporting repair and maintenance needs. In these cases resolution came about only after the NAS Project Advisor became involved.

C. LACK OF USE OF COMMODITIES

Some items are under utilized due to a shortage of trained personnel. SAT often waits until a big-ticket piece of NII equipment arrives before it recruits the personnel needed to operate it; although this is less a problem with SSP.

Many SAT and SSP personnel have not owned a vehicle, or even driven one, prior to recruitment by those agencies and so "cut their teeth" on USG-provided sophisticated equipment. All three of the 12-ton gamma radiation mobile trucks donated to the SSP have been involved in accidents in their first three years of operation. In one case, the cobalt radiation source, which is normally only changed after five years of operation, had to be replaced at USG expense during the first year because of improper use. NAS is considering funding basic driver training for NII heavy equipment before USG-funded manufacturer operator training and USG law enforcement "tricks of the trade" training take place.

D. DISPOSAL OF COMMODITIES

Nine UH-1H fuselages are pending destruction at the PGR's main helicopter maintenance base in Guadalajara. These aircraft were not deemed economically viable to repair. Permission to destroy these aircraft was obtained from INL/RM and once advised that the process should proceed, NAS Aviation Advisor will travel to Guadalajara to observe the destruction and recover the aircraft identification data plates.

E. OTHER PROBLEMS - N/A

VI. SUMMARY

This cable reflects NAS Mexico efforts to comply with INL guidance as reflected in REF. The activities of NAS Mexico fully comply with the guidance for End Use Monitoring.

BASSETT

NNNN

RELEASE IN PART
B1,1.4(D),B6

From: [REDACTED]
Sent: 1/27/2012 12:54:07 PM B6
To: svcSMARTHBTSP08
Subject: THE MERIDA INITIATIVE AT 36 MONTHS WHAT WE HAVE ACHIEVED, AND WHAT COMES NEXT
Attachments: Metadata.dat

CONFIDENTIAL



MRN: 12 MEXICO 77
Date/DTG: Jan 27, 2012 / 271754Z JAN 12
From: AMEMBASSY MEXICO
Action: WASHDC, SECSTATE ROUTINE
E.O.: 13526
TAGS: SNAR, KCRM, KJUS, PGOV, PREL
Pass Line: STATE FOR INL AND WHA/MEX
TREASURY FOR ENFORCEMENT SECRETARY
DOJ FOR DEP ASSIST
FBI DIR FOR LA/CU, OC/DB, OIU, CID
DEA FOR OD, OF, OFC, AO, DO, SPSM
CUSTOMS FOR LA OPS AND FOR OIA/WHB
Subject: THE MERIDA INITIATIVE AT 36 MONTHS - WHAT WE HAVE ACHIEVED, AND WHAT COMES NEXT

DECONTROLLED

THIS CABLE IS SENSITIVE BUT CLASSIFIED.

1. (SBU) SUMMARY: At the conclusion of the Merida Initiative's first three years, we have delivered just under \$900 million in equipment, training, and mentoring, including \$500 million in 2011 alone. These deliveries have involved all of Mexico's security institutions at the federal level as well as several key states, and were supported by all major U.S. law enforcement agencies. To date, Merida has produced three key outcomes. First, we have developed a Bi-national Merida Implementation Team that is capable of rapidly processing requirements through to the delivery of equipment and training, while tracking the results our assistance produces. Second, we have a new security relationship with Mexico across multiple agencies that is built on newfound trust, transparency, and a common understanding of the threat. Third, there are transformed institutions in Mexico that can more successfully establish and maintain the rule of law.

2. (C) Looking forward to 2012, we see another robust year of deliveries, with up to \$350 million projected across all programs. There could be a slowdown in the latter half of the year given the July 2012 elections in Mexico, but most GOM counterparts are seized with helping land as much of the original \$1.4 billion Merida commitment as possible, and most of the programs lay within the realm of technocrats, not politicians. In 2012, we will need to continue the transition to stronger support for state and local law enforcement, a program that has not yet gained momentum and will require a concerted effort if it is to yield results, with a focus on standardizing police and prosecutorial standards across all states. Additionally, we will continue to shape the state Rule of Law (ROL) and Pillar IV programs while we shift our federal judicial program to several new areas,

Classified by Eric F. Stein, Co-Director, Acting, A/GIS/IPS, DoS on
May 12, 2016 ~ Class: CONFIDENTIAL ~ Reason: 1.4(D) ~
Declassify on: 01/26/2037

CLASSIFICATION: CONFIDENTIAL
Page 2 of 10

such as witness protection, in anticipation of the transition to an oral trial system. Given the needs of Mexico and the success of the Merida Initiative to date, we believe that sustained funding of between \$200 to \$250 million per year could productively be programmed through the next five years. We believe transition to a new judicial system in Mexico, supported by effective security forces across the country, will require over a decade of consistent resources and effort. END SUMMARY

2011 A BANNER YEAR FOR DELIVERIES

3. (SBU) After two slow years of painstaking work to build relationships with GOM partners, identify requirements, and create the logistical architecture to deliver assistance on a large scale, the Merida Bi-National team finally hit its stride in 2011, making good on the U.S. promise to deliver \$500 million in Merida programs in a single year. The \$504 million in 2011 deliveries brings the total delivered to date to just under \$900 million, out of a total of \$1.692 billion appropriated. The first three years were heavy on equipment deliveries, especially aviation, but included high levels of ROL programming and training as well. The breakdown of major programs is as follows:

-- Federal Police Aviation	\$125.8 M
-- SEDENA Aviation	\$105.0 M
-- SEMAR Aviation	\$156.7 M
-- Border Security (NIIE & Canines)	\$111.2 M
-- Information Technology	\$149.4 M
-- Rule of Law	\$ 90.9M
-- Demand Reduction	\$ 31.7M
-- Internal Controls	\$ 13.2M
-- Prison Reform	\$ 13.1M
-- Security Forces Training	\$ 28.6M
-- Culture of Lawfulness	\$ 4.3M

Beyond the raw deliveries, themselves a significant contribution to the security of both countries, post sees three key changes that have resulted from Merida:

- A strengthened Merida Bi-national Team,
- Enhanced coordination between U.S. and Mexican security forces, and
- Transformed institutions in Mexico.

BI-NATIONAL MERIDA TEAM STRENGTHENED

4. (SBU) Prior to Merida, Mexico had been receiving around \$25 million a year in INCLE funding. There was a small precedent for Merida-style cooperation, yielding very discreet training programs and one to two projects a year for only a few institutions. However, a functional bi-national mechanism for planning and executing large and complex projects, or carrying out multi-year programs across multiple agencies, was lacking. Most Mexican agencies met the Merida Initiative with a certain amount of historical suspicion and little understanding of U.S. assistance programs (albeit also with a tremendous amount of good will), while the U.S. team managing Merida started at about 20 percent of its required strength. It took a full year to learn how to conduct joint project planning, educate the GOM about the quirks of the U.S. contracting system, and hire the required people to

CLASSIFICATION: CONFIDENTIAL
Page 2 of 10

CLASSIFICATION: CONFIDENTIAL
Page 3 of 10

manage the enterprise.

5. (SBU) Program teams generally consist of a NAS program coordinator and GOM technical counterpart, with participation by the GOM agency's international affairs office, contractors, and subject matter experts, often backed up by representatives of other U.S. agencies. The teams grew close personally and professionally, building trust, confidence, and an understanding of each country's procedures which facilitated project implementation. The NAS Director and SRE Merida Coordinator led monthly implementation meetings in which the entire Merida team gathered to review progress, discuss common problems, and build unity. After monthly meetings in 2009-2010, these meetings in 2011 were held quarterly, while more frequent meetings were chaired by the Merida Coordinators at the agency level to review each agency's entire line-up of projects, allowing for more focused attention to problems and outcomes. The newest component of Merida, Pillar IV, is overseen by a bilateral working group that carried out comprehensive joint planning in 2011, positioning both governments to launch significant Pillar IV programming in targeted cities in 2012.

6. (SBU) As the teams evolved, we also added a key piece of physical infrastructure, the Bi-National Implementation Office (BIO), which was inaugurated in August 2010 in a building near the Embassy. The BIO was designed to be the operating platform where bilateral Merida Implementation Teams could work in shared space on a daily basis. Its three conference rooms were almost immediately booked solid, as joint teams, contractors, and outside experts came together to plan and execute the many Merida programs, while phone conversations and sidebar meetings filled the corridors. On a particularly active day, the facility reminded one observer of a sizable Embassy Consular Section.

7. (SBU) The GOM initially sent one liaison per agency to sit in the BIO, and an office was reserved for a co-director from SRE. For the day-to-day coordination and execution of projects, the platform quickly became indispensable. It has not, however, evolved as the envisioned joint workspace. Most agencies found that their liaisons needed at most several hours a day in the BIO with the rest of their time spent at their home agencies, and the growth of the Embassy team required expansion into the space originally reserved for the GOM. In 2012, we will acquire a second floor in the same building to consolidate most Embassy Merida personnel in the BIO. SRE has also now named a full-time co-director to sit at the BIO, and who promises to persuade active agencies such as SSP and PGR to send at least a part-time liaison. Meanwhile, the platform remains as viable as ever, and fully "joint," even without the GOM's full-time presence.

8. (SBU) Delivering \$500 million in one year stretched both countries' systems considerably, but was, in the end, eminently doable. It has now created a bi-national team that can deliver faster, more efficiently, and with greater results in the future.

NEW SECURITY RELATIONSHIP

9. (SBU) Merida has also been a driving factor in building a new security relationship between the U.S. and Mexico. From the start of his administration, President Calderon made clear to his cabinet that the traditional reticence about cooperation with the United States on security would end, and ministers and their staffs have undertaken to implement that guidance, for the most part with a fair amount of enthusiasm. By providing funding for training and other projects, Merida has helped to facilitate more frequent and more substantive contacts between agencies.

1.4(D)
B1

CLASSIFICATION: CONFIDENTIAL
Page 3 of 10

1.4(D)
B1

10. (SBU) The Merida Initiative has facilitated this increasing cooperation in several ways.

11. (SBU) In addition to the tangible improvements in our cooperation, this level of assistance has undoubtedly helped to smooth over the rough patches in the bilateral relationship over the past two years. This has been a key factor in preventing some issues from playing worse than they did, and in facilitating the defense of the bilateral security relationship by key GOM officials before the Mexican congress, something that has become almost a monthly occurrence.

12. (SBU) Merida then, provides the physical architecture to enhance cooperation, as well as facilitating such enhanced cooperation by increasing the pace of interaction between U.S. and Mexican counterparts. In short, Merida has acted as an accelerant for better bi-national law enforcement cooperation. The result is a network of stronger ties that has produced dramatic success on the ground, as evidenced by the arrest or taking out of action of 22 of the 37 most wanted crime figures in Mexico in 2010-2011 – most a direct result of cross-border cooperation.

TRANSFORMED INSTITUTIONS

13. (SBU) But the greatest yield to date from Merida is undoubtedly the transformed judicial and security institutions in Mexico. For every dollar the United States spends under Merida, the GOM spends some \$12-13, part of a plan by President Calderon for institutional transformation that is stunning both for its breadth and depth. This transformation is inconsistent across agencies; some have performed with lightening speed while others are still middling through planning. And even among star performers the change is nascent, with an additional 7-10 years of heavy lifting ahead. But in three years Mexico has made truly remarkable progress in transforming institutions that have been under-resourced for decades.

1.4(D)
B1

CLASSI FI CATI ON: CONFI DENTI AL

Page 5 of 10

1.4(D)
B1

-- INAMI: The National Institute for Migration has a more limited mandate than the PGR and SSP, and hence its transformation has been less dramatic – focused primarily on better informatics to capture and exchange data on travelers entering and leaving Mexico. That said, Merida support for INAMI has been tangible. INAMI is pushing out new biometric data capture systems throughout Mexico’s airports, seaports, and land borders that will facilitate this mission more securely, [REDACTED]

1.4(D)
B1

-- SAT: The Tax Administration Service has been going through a two-fold transformation. First, SAT has evolved from a purely revenue collection agency to an enforcement agency. [REDACTED]

1.4(D)
B1

CLASSI FI CATI ON: CONFI DENTI AL

Page 5 of 10

CLASSIFICATION: CONFIDENTIAL
Page 6 of 10

1.4(D)
B1

-- Control de Confianza: Government-wide programs in the vetting and internal controls area support all GOM agencies to ensure new hires are clean and keep existing staff free of corruption. [REDACTED]

1.4(D)
B1

-- Key States and Localities: Many state governors recognize that their political legacy depends upon whether or not they can reduce the violence in their respective region, so security has become a priority alongside health and education. A core physical infrastructure is evolving in many states revolving around a control de confianza center, police training academy, judicial complex, and Command and Control (C4 or C5) center. Leading states such as Chihuahua and Nuevo Leon have built entire new complexes over the past five years and now have modern facilities in each of these key areas. Other states, such as Hidalgo, Sonora, Guerrero, and San Luis Potosi, have built pieces of this new infrastructure, and are working on others. Many states have also begun to focus increasingly on the human architecture of security and justice, raising salaries and providing housing and educational benefits for families to improve security and provide disincentives for corruption. Finally, many states have begun the tough road to legal reform, pushing through the legislative and procedural changes necessary to move to the new oral trials system, with all the logistical components necessary to support that new system. Data from the pioneering states indicate that those implementing reforms are twice as effective in bringing cases to trial as states that are not implementing reforms. Acquittal rates are down in these states, and the increased use of alternative justice mechanisms such as mediation for minor offenses have also been critical to reducing court congestion and allowing for concentration on more serious and violent crimes. [REDACTED]

1.4(D)
B1

CIVIL SOCIETY ALSO TRANSFORMS

15. (SBU) The role of civil society in the struggle to develop a "culture of lawfulness" has also been transformed over the past several years. Traditionally co-opted or squelched, civil society has never been strong in Mexico. But with the efforts of many prominent civil society leaders, (some of whom have also been victims of crime), there is a mobilization taking place in Mexico that now gives civil society a public voice and the political clout to

CLASSIFICATION: CONFIDENTIAL
Page 6 of 10

CLASSIFICATION: CONFIDENTIAL
Page 7 of 10

make real differences. President Calderon has invited civil society leaders to the National Security Council meetings, previously reserved for cabinet members and governors, and meets with civil society leaders frequently, allowing them to air their advice on human rights, the development and monitoring of anti-kidnapping squads, and the creation and maintenance of more trustworthy institutions. Many NGOs are also providing critical services to Mexico's citizens, whether victims of crime, recipients of education and training, or simply concerned citizens. Civil society organizations have played a key role in advocating for criminal justice reform at the state and highest federal levels, and have been stalwarts in protecting advances in adopting oral trials against a growing counter reform movement as well as in speaking about what they see as abuses of civil liberties and human rights. In the past three years, civil society has finally emerged as a real player in public security in Mexico.

16. (SBU) Taken together, the historic effort by President Calderon and his administration to transform Mexico's judiciary and security forces, supported by the Merida Initiative, is slowly producing organizations and communities that:

- Have an increasingly strong legal and administrative framework from which to carry out reforms.
- Have developed better systems for vetting incoming personnel into key organizations while keeping those in the organization honest.
- Have increasing numbers of specialized security forces that can skillfully carry out higher level missions.
- Can more safely incarcerate criminals in all phases of the criminal justice process.
- Can effectively move information from a comprehensive data base and more efficiently analyze the many pieces of information needed to break down criminal gangs and contain their activities.
- Can more successfully investigate crimes and conduct preventive investigations against criminal gangs, while collecting forensic evidence to the highest international standards.
- Can more effectively prosecute criminal cases in an increasingly expeditious and transparent manner.
- Have a voice in advocating for key justice sector reforms.
- Can better detect the movement of money, arms, and people traversing illegally across borders and through Mexico, while responding to the needs of migrants in distress.
- Have developed the beginnings of a culture of lawfulness in select organizations and states and begun to inculcate the principles of culture of lawfulness throughout Mexican society.
- Have increased the tools to reduce the demand for drugs and help those addicted to overcome their habit.
- Can better defend human rights and protect human rights defenders such as journalists while more effectively prosecuting human rights offenders.
- Can better assist youth vulnerable to recruitment into organized crime to stay in school and provide them with skills to access the job market.
- Can better address the needs of communities affected by crime and violence in cities such as Ciudad Juarez.
- Can adopt successful methodologies to strengthen community resilience, enhance social cohesion, and prevent crime and violence in target communities, and invest resources to replicate them nationwide.

NEXT STEPS

1.4(D)
B1

17. (C) Deliveries in 2012 will likely continue at a pace and on a scale comparable to 2011. [REDACTED]

[REDACTED] The processes and bi-national teams developed from 2008 to 2011 are now in place to deliver projects even more effectively than in 2011. The GOM has expressed that it would like to see another year of \$500 million deliveries in 2012 in order to fulfill the original Merida commitment of \$1.4 billion before President Calderon leaves office. With the shift to capacity building, Pillar IV programming, and state and local programs in addition to already planned equipment

CLASSIFICATION: CONFIDENTIAL
Page 7 of 10

CLASSIFICATION: CONFIDENTIAL
Page 8 of 10

deliveries, it might be possible. But there are some wildcards that suggest a more modest objective. [REDACTED]

1.4(D)
B1

18. (C) In 2012, we plan for Merida programming to begin a shift in earnest to several new lines of operation as well as continuing with important work in other areas:

-- We have spent much of 2011 developing a team and its plans to advance Pillar IV programs in the three priority municipalities of Tijuana, Ciudad Juarez, and Monterrey. These programs, which include technical assistance to federal, state, and local government counterparts as well as direct engagement with Mexican organizations at the community level, will fully launch in 2012.

1.4(D)
B1

-- We will continue to support the priority states as they develop their core security architecture – vetting facilities, C4 centers, new penal systems, forensics labs, and judicial buildings.

-- To ensure the effectiveness of USG support for the development of coordination protocols between police and prosecutors under the new system, we will monitor the application of said protocols and observe the results of investigations – making suggestions on any adjustments necessary.

-- We have helped develop the first survey in Mexico to measure perceptions on the impact of the criminal justice reform nationwide and to provide state-by-state comparative analysis and design measures to ensure public support for critical reforms.

1.4(D)
B1

-- There are additional federal judicial sector programs that are needed in support of the transition to the new oral trials system. Expanded support for witness protection, prosecutorial and investigative capacity building, evidence collection and processing, and forensics labs at the SSP and PGR will provide the support the new system will need.

1.4(D)
B1

-- We will continue to focus on human rights as an integral part of our programming and will seek GOM support to increase direct engagement with Mexican civil society, citizens, and local governments to support efforts to

CLASSIFICATION: CONFIDENTIAL
Page 8 of 10

CLASSI FI CATI ON: CONFI DENTI AL
Page 9 of 10

prevent human rights violations, promote a culture of respect for human rights, and respond to violations as they occur.

-- With Mexico's federal corrections system well on its way to fulfill its ambitious reform plan, thanks in large part to Merida-provided technical assistance and mentoring, the stage is now set for reform of Mexico's state prison systems, where the vast majority of human rights abuses and mass escapes occur. Modest continued funding for corrections reform will ensure that U.S. advisors play a major role.

1.4(D)
B1

GETTING THE WORD OUT AND MEASURING IMPACT

19. (SBU) One of the least successful Merida programs to date has been public diplomacy -- getting the word out to our respective publics and congresses on the Initiative's successes. We have engaged multiple times with our partners in the Mexican Foreign Ministry to develop a comprehensive strategic communications plan for Merida and the new security relationship, but to no avail. In the coming year, we believe we should do a better job of "branding" Merida and showing the results of our joint endeavor. Within the Mexican political context, politicians and government officials alike remain sensitive about being viewed as too close to the Americans.

20. (C)

1.4(D)
B1

Signature: WAYNE

Classified By:

Office: NAS
Agency: DOS

Reason:

1.4 (b), (c), (d)

Declassify On:

2022/01/27

Drafted By:

Cleared By:

B6

B6

CLASSI FI CATI ON: CONFI DENTI AL
Page 9 of 10

CLASSIFICATION: CONFIDENTIAL
Page 10 of 10

Approved By: EXEC:Wayne, E Anthony

Released By:

Info:

DIR ONDCP WASHINGTON DCROUTINE ; DEPT OF TREASURY WASHINGTON DC
ROUTINE ; DEPT OF JUSTICE WASHINGTON DCROUTINE ; FBI WASHINGTON DCROUTINE ;
DEA HQS WASHINGTON DCROUTINE ; ATF INTEL WASHINGTON DCROUTINE ;
EPIC EL PASO TXROUTINE ; SECDEF WASHINGTON DCROUTINE ;
JOINT STAFF WASHINGTON DCROUTINE ; HQ USNORTHCOM ROUTINE ;
HQ USSOUTHCOM MIAMI FLROUTINE ;
DEPT OF HOMELAND SECURITY WASHINGTON DCROUTINE ;
US CUSTOMS AND BORDER PROTECTION WASHINGTON DCROUTINE ;
ALL US CONSULATES IN MEXICO COLLECTIVE ROUTINE ;
WHA CENTRAL AMERICAN COLLECTIVE ROUTINE

B6

Action Post:

Dissemination Rule: Archive Copy

CONFIDENTIAL

CLASSIFICATION: CONFIDENTIAL
Page 10 of 10

From: Meehan, Bernadette M </O=SBUSTATE/OU=BAGHDAD
AG/CN=RECIPIENTS/CN=MEEHANB>
Sent: Wednesday, March 16, 2011 6:22 PM
To: Carl Yoder, Samantha A <Carl-YoderSA@state.gov>; Haake, Matthew S
<HaakeMS@state.gov>
Subject: Re: Scenesetter for Deputy Secretary Nides' Visit to Mexico City

Lovely! We're making great progress.

DECONTROLLED

From: Carl Yoder, Samantha A
Sent: Wednesday, March 16, 2011 06:16 PM
To: Haake, Matthew S
Cc: Meehan, Bernadette M
Subject: FW: Scenesetter for Deputy Secretary Nides' Visit to Mexico City

Yay!

Classification Extended on : 08/22/2018 ~ Class:
CONFIDENTIAL ~ Authority: DSCG 11-1 ~
Declassify on: 03/15/2036

From: Allison, Robert S (Mexico City)
Sent: Wednesday, March 16, 2011 6:14 PM
To: Carl Yoder, Samantha A
Cc: Fernandez, Courtney
Subject: Scenesetter for Deputy Secretary Nides' Visit to Mexico City

Samantha, here it is! Sorry to keep you waiting. See you next week. Rob

~~SECRET~~

This email is UNCLASSIFIED.

From: SMART Core
Sent: Wednesday, March 16, 2011 04:12:22
To: Allison, Robert S (Mexico City)
Merida-SMARTS; Matamoros-SMARTS; HERMOSILLO-SMARTS; NOGALES-SMARTS;
Cc: Ciudad Juarez-SMARTS; Monterrey, SMARTS; NuevoLaredo, SMARTS; MEXICOCITY,
SMARTS; Tijuana, SMARTS; Guadalajara, SMARTS; CDJ Staff Assistant
Subject: Scenesetter for Deputy Secretary Nides' Visit to Mexico City

UNCLASSIFIED



MRN: 11 MEXICO 1050
Date/DTG: Mar 16, 2011 / 162211Z MAR 11
From: AMEMBASSY MEXICO
Action: WASHDC, SECSTATE IMMEDIATE
E.O.: 13526

TAGS: PREL, PGOV, SNAR, MX
Captions: ~~SENSITIVE~~
Pass Line: FROM AMBASSADOR PASCUAL FOR DEPUTY SECRETARY NIDES
Subject: Scen setter for Deputy Secretary Nides' Visit to Mexico City

1. (SBU) Welcome to Mexico City! We have put together a busy schedule to take full advantage of your time here. After touring our massive consular operation - the Mission's public face to the majority of Mexicans and many American citizens - you will discuss security, trade, and other key issues in a country team meeting with section heads who represent eight of the twelve USG departments and independent agencies working in this Embassy. You will again see the breadth and sheer size of our staff in an Embassy meet-and-greet. Then we will walk a block to the Bilateral Implementation Office (BIO), where U.S. and Mexican staff work side-by-side, for a briefing on Merida Initiative implementation.
2. (SBU) After the BIO, you will sit down at the foreign ministry with our key interlocutors not just on Merida and security programs but also on regional cooperation, energy and environment, economic competitiveness, and most other aspects of the broad bilateral agenda. To ensure that you also hear some non-official views on the security situation and the U.S.-Mexico relationship, we have invited NGO leaders, journalists, and academics to have lunch with you. At the end of the afternoon, you will tour the Federal Police command center and hear about the impressive progress federal law enforcement is making in simultaneously building its internal structures and fighting transnational criminal organizations. The day will conclude with dinner with a group of business leaders and trade experts. The country team and I look forward to engaging these issues with you.

SUMMARY

3. (SBU) More than any other, the United States' relationship with Mexico directly affects the daily lives of citizens in both countries. Our economies and societies are indispensably interconnected, giving us a shared responsibility for the challenges both nations face. Nearly a billion dollars of trade crosses the U.S.-Mexico border each day, providing jobs and resources to people across both countries. As one million people cross the border legally each day in the course of their daily routines, broader immigration issues are a challenge for both countries. Against this backdrop, security concerns currently dominate the political discourse in Mexico and loom large in the public consciousness. Cartel-on-cartel violence is focused in narcotics transit and production zones along the Mexican side of the border and the Pacific coast, with particular hot spots (currently border states Chihuahua, Tamaulipas, and Nuevo Leon and coastal Guerrero) shifting according to inter- and intra-cartel dynamics. The Mexican government tallies over 36,000 drug-related deaths since President Felipe Calderon took office four years ago – over 15,000 in 2010 alone. Polls show that Mexicans now rate security as the country's principal problem. After three years of focus on the federal level, Calderon is now turning his attention to state and local security, but the scale of the problem is simply daunting, given the hundreds of thousands of ill-trained and ill-equipped police. A major push is needed to advance judicial reforms. Partial implementation of a 2008 Constitutional reform has left Mexico with two different legal systems operating at once, producing a dismally low prosecution rate. The Mexican government is feeling increasing pressure to show progress on security issues the closer it gets to national elections in July 2012. END SUMMARY.

MOST RECENT CHALLENGES TO THE RELATIONSHIP

4. (SBU) Since late last year, a series of events involving well-intentioned (or at least innocent) U.S. words or deeds [redacted] has pushed the public relationship to the

1.4(D)
B1

lowest point in Calderon's four years, while bilateral cooperation has continued and even increased at the working level. [REDACTED]

B1

On one 1.4(D)

hand, there is a deep desire for U.S. cooperation, as noted in a recent Beltran survey finding that 60% of Mexicans favor increasing cooperation with the United States against organized crime. [REDACTED]

5. (SBU) [REDACTED]

[REDACTED] In December 2010, the initial wave of WikiLeaks stories described purported U.S. concerns about weakness in some Mexican security agencies, lack of Mexican interagency cooperation in the fight against cartel violence, and individual leadership failures. Rather than simply dismiss WikiLeaks as an unfortunate and illegal release of internal documents, the Mexican government attempted to defend itself point by point. In doing so, it validated criticisms that the United States had never made publicly. [REDACTED]

6. (SBU) On February 22, leading Mexican newspaper El Universal published an interview in which President Calderon lashed out, saying that, while he appreciated the efforts of Presidents Bush and Obama to help Mexico, he otherwise found the institutional cooperation insufficient. He said that the United States was not doing enough to stop its guns from going to TCOs nor to reduce the U.S. drug demand that underlies the TCOs' vast profits. Calderon contradicted the WikiLeaks-based stories, claiming that it was U.S., not Mexican, security agencies that failed to work together. He said that purported Embassy cables provided a distorted analysis of Mexico as a result of individuals exaggerating and pushing their own agendas. [REDACTED]

7. (SBU) On March 3, Calderon reiterated his attack in an interview with the Washington Post just hours before he went to the White House. He was particularly critical of Ambassador Pascual and said that WikiLeaks had severely damaged the U.S.-Mexico relationship. Despite this unexpected blast, President Obama made every effort to have a constructive meeting with President Calderon, announcing a path to resolving the longstanding NAFTA cross-border trucking dispute and agreeing to step up high-level oversight of binational law enforcement cooperation and Merida Initiative implementation. Although President Calderon has at times harshly criticized cooperation with the United States, strong and effective cooperation has continued.

8. (SBU) Adding to the complex political climate has been a very sharp political debate on an Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) operation called Fast and Furious. Operation Fast and Furious was a successful U.S. law enforcement operation on U.S. soil that led to the dismantling of an arms smuggling ring and resulted in the arrest of 20 people and seizure of hundreds of firearms. On March 3, CBS News reported the allegations of an ATF agent that he was told by his supervisors to allow guns purchased in Arizona to "walk" into Mexico to see where the guns would end up, in order to build a stronger legal case. Mexican press has reacted furiously, characterizing the operation as allowing potentially hundreds of weapons to get into the hands of cartels. Top Mexican politicians rail against both U.S. interference in Mexican sovereignty and U.S. unwillingness to fulfill its shared responsibility for the current violence by controlling the flow of weapons from the United States into Mexico. The chairman of the justice committee in the Mexican Chamber of Deputies said that "we have 150 cases of

injuries and homicides with arms that were smuggled and passed illegally into our country.” Attorney General Holder has stated unequivocally that, if true, these alleged actions are unacceptable and he has asked Justice’s inspector general to investigate the reports. Unfortunately, the matter has been so confused in the Mexican press that now the alleged transfers from the United States to Mexico are perceived as the actual operation and widely condemned as a violation of Mexican sovereignty. The Embassy has coordinated with Washington law enforcement agencies to get accurate information to Mexican officials, legislators, and media.

9. (SBU) 1.4(D)
B1
On February 15, gunmen, allegedly from the Zeta transnational criminal organization (TCO), murdered U.S. Immigration and Customs Enforcement (ICE) agent Jaime Zapata and wounded ICE agent Victor Avila while the two were driving through the state of San Luis Potosi. Reflecting the close working relationships of U.S. and Mexican law enforcement agencies, a binational task force began working immediately after the shooting. Within days, the Mexican government detained individuals allegedly related to the Zapata killing, while U.S. law enforcement sweeps led to arrests of nearly 700 Mexican TCO members across the United States. President Obama called President Calderon to express appreciation for the Mexican government’s efforts to bring the attackers to justice. While encouraging for Mission Mexico and the U.S. public, Mexican nationalists of all stripes have not missed the opportunity to ask why this attack appears to have been resolved so quickly while most of the 36,000 narco-homicides in Mexico since 2006 have gone unsolved.
10. (SBU) Finally, on March 16, the Mexican government took a step to acknowledge the advantages of U.S.-Mexico cooperation and, perhaps, to begin to point the relationship back in a positive direction. After the New York Times reported in detail on U.S.-Mexico intelligence cooperation, Calderon’s national security spokesman Alejandro Poire quickly released a statement saying that the Mexican government has requested U.S. support in the form of reconnaissance missions flown by unmanned aerial vehicles as well as sharing of other intelligence. Worded carefully to explain that the Mexican government sets all operational parameters while the United States only provides technology, the statement from the Mexican presidential administration is a welcome expression of the value the Mexican government puts on U.S. assistance.
11. (SBU) Building on this statement, we will continue to work to improve the public discourse. Meanwhile, despite the political and public diplomacy challenges, conscious efforts by both countries to strengthen government-wide institutional links have paid off as law enforcement cooperation, implementation of the Merida Initiative, and joint efforts in countless other U.S.-Mexico programs involving nearly every department in government have continued apace.

THE ELECTIONS ARE COMING

12. (SBU) With presidential and legislative elections coming in July 2012, Mexican politicians say and do little without considering the electoral implications. Calderon’s early-2011 cabinet changes focused on economic rather than security portfolios, suggesting that he remains confident that his approach to fighting organized crime is the correct one. Polls show that Mexicans consistently support Calderon’s fight against organized crime and related cooperation with the U.S. government, but – as the drug cartels continue to act with impunity – do not believe that his tactics are succeeding. Most polls show candidates from the opposition Institutional Revolutionary Party (PRI), which governed Mexico for most of the 20th century before losing to the PAN, as leading in presidential and legislative races. Presidential aspirants from all parties say publicly that they would continue to work with the United States to fight the

TCOs if elected.

THE SECURITY SITUATION IS DIRE

13. (SBU) For the first two months of 2011, the combined number of narco-homicides in the six most violent states is roughly equivalent to the same period a year ago, but dispersed differently. The violence in Chihuahua, Sinaloa, and Baja California is down, while Guerrero, Tamaulipas, and Nuevo Leon are up significantly. In January 2010, a drug gang massacred 15 teenagers in Ciudad Juarez, causing a national outcry and making Ciudad Juarez the focus of the Mexican government's struggle for security. With over 3,000 drug-related murders in 2010, Juarez continues to be one of the most violent cities in the world as cartels battle for control of its smuggling routes into the United States. A similar level of violence erupted in early 2010 in the border states of Tamaulipas and Nuevo Leon, where former partners (the Zetas and the Gulf Cartel) are now vicious rivals. In Mexico's business and industrial capital, Monterrey, the security environment turned precipitously from that of a prosperous metropolis to violence and lawlessness. Narco-blockades, in which cartels hijack buses and use them to stop traffic while they search for opposing criminal group members, regularly paralyze the city center. In July 2010, a cartel car bomb killed four Mexicans, marking a change in weaponry, in the level of sophistication, and in the ruthlessness of the cartels. Since then, the cartels have set or detonated several more car bombs. Over the course of 2010, at least 16 mayors were murdered or disappeared. Another major public concern is the prevalence of kidnappings, often in the middle of the day, unrelated to drugs and intended to raise quick cash. Violence is heating up in the outskirts of the domestic tourist mecca Acapulco; as 2010 began with the massacre of 15 teens in Juarez, 2011 began with the dumping of 15 decapitated bodies in a parking lot in Acapulco.

A PERFECT STORM

14. (SBU) Mexico is experiencing a combination of conditions that collectively lead to extraordinary levels of violence. First, the number of armed criminal gangs is rising. A recent evaluation shows that, since 2007, the basic five drug trafficking organizations have splintered into nine, thanks in part to recent GOM successes in removing more than 20 top cartel leaders in the last year. What was once a challenging but comprehensible threat picture is now a free-for-all as the cartels challenge each other and fight among themselves. Their internecine struggles and the government's aggressive stance have led the cartels to take on a para-military posture with heavier weaponry, larger convoys, and better intelligence networks. Second, the cartels' span of business activity is expanding. Once focused on transporting drugs to the United States, the cartels have expanded their business into extortion, kidnapping, immigrant smuggling, protection rackets, domestic drug retailing, and anything else that provides income. Third, street gangs are supporting, and emerging as rivals to, the established cartels. It was one of these gangs that murdered three people associated with the U.S. Consulate General in Ciudad Juarez in March 2010. According to the former mayor, most of the killing in Juarez stems from fights over street corner drug sales, not battles between the major cartels.

15. (SBU) The battle between criminal organizations plays out amidst socio-economic problems, weak security institutions, and impunity. The economic crisis knocked millions out of work, particularly the "ni-ni" youth who neither work nor study and are readily available cannon fodder for the gangs. Mexico also suffers from a complicated and non-transparent federal system.

These institutions were never strong to begin with; at the inception of the Merida Initiative, there was not a single public security or judicial institution that was fully trained, staffed, and resourced. And there was no institution prepared for the retaliatory violence

1.4(D)
B1

that is emerging. In addition to being functionally weak, the large sums of money mobilized for corruption, coupled with chilling threats of torture, beheading, and murder of family members, leave whole police and judicial bodies incapable of an effective response.

GOM IMPLEMENTATION LACKING

16. (SBU) Juarez and northeastern Mexico (Tamaulipas and Nuevo Leon) are key places where basic levels of security must be restored if the GOM is to demonstrate authoritative control. [REDACTED] 1.4(D)
[REDACTED] Juarez can boast of a better emergency response center, an B1
integrated command center, better and more federal police forces – but few improvements on the ground. Nuevo Leon’s governor and the powerful private sector in Monterrey are well intentioned and committed to addressing insecurity issues. But there are not enough police to control neighborhoods, they have not established field stations to build trust with the population, they have virtually no human intelligence, corruption is widespread, and there are too few prosecutors to act on cases. Arrests are going up, but few get prosecuted, so criminals groups continue to be supplied through this revolving door of impunity. Two joint planning sessions with the Government of Mexico in Juarez came up with the same prescription: 1) a compelling and capable presence on the ground that can demonstrate government control over all its territory, and respond effectively to maintain or restore public security; 2) better intelligence from the street level that can lead to more targeted operations; and 3) increased numbers of prosecutions that are carried out based on solid investigations and result in convictions and incarceration. Only limited steps have been taken in this direction.
17. (SBU) Despite these challenges, Mission Mexico is firmly convinced it is possible, using targeted assistance and close cooperation, to support the GOM in achieving tangible results in specific areas.

PROGRESS ON MERIDA IMPLEMENTATION

18. (SBU) The GOM has invested heavily in its security forces, both financially and politically. This year’s budget makes security spending a priority, providing a spending increase of 75 percent for the Secretariat of Government and six percent for the Army and Navy. The Secretariat of Public Security, which had received significant budget increases in immediately past budgets, got a slightly more than one percent increase. In 2011, the GOM will dedicate 131 billion pesos (US\$ 10.7 billion) to security, or roughly five percent of total government spending.
19. (SBU) Calderon has made institutional reform the centerpiece of his administration. U.S. assistance funded by the Merida Initiative is helping to implement this strategy through its focus on the four pillars: 1) disrupt the capacity of organized crime to operate; 2) institutionalize the capacity to sustain the rule of law; 3) create a 21st century border; and 4) build strong and resilient communities. If not for Merida, bilateral capacity for addressing organized crime and violence would face significantly greater limitations. To date, the Merida Initiative bi-national team has delivered a cumulative total of \$404 million in equipment, technical assistance, and training since the first receipt of Merida funds in December 2008. Post projects total CY2011 deliveries to be \$517 million, for a cumulative total by year’s end of \$880 million out of \$1.549 billion, or 56 percent of the total expended and delivered (not just obligated) in three years.
20. (SBU) Under the Merida umbrella, the United States and Mexico are working together more closely than ever to develop and share information about TCO activity. This improved capacity has produced results. Twenty-eight major cartel figures, such as Arturo Beltran Leyva, Nacho Coronel, Edgar Valdez, Sergio

Villarreal, and Antonio Cardenas, have been taken out of action since December 2009. Information that Mexico shared with us was critical to U.S. operations such as Xcellerator, Coronado, and Deliverance that have resulted in thousands of arrests of Mexico-linked traffickers in the United States. ATF's Internet-based eTrace system provided critical evidence that led to convictions of Arizona gang members who provided more than 100 guns to the Sinaloa cartel. A recently signed memorandum of understanding will significantly expand the use of eTrace.

21. (SBU) Containing and preventing TCO violence requires enhanced federal and local law enforcement capacity. It also requires a justice system that puts and keeps criminals in jail. Building institutions like police and a core of prosecutors and judges trained to implement oral trials is crucial to long-term success, but will take time. Some 5,000 police officers have graduated from the Federal Police Basic Investigation Techniques course in San Luis Potosi and are now deployed throughout Mexico. These college-educated officers will help transform the way crimes are investigated and prosecuted. There is a long way to go, however, considering that across all levels, there are about 450,000 police in Mexico. Therefore in parallel with these measures to build capacity, Mexico must get the most out of the security and judicial corps that it has today. That will require deploying forces differently and more effectively. For example, rather than just deploying army, navy, and federal police in separate zones of a state, it may mean integrating them across an area to take advantage of their different legal authorities and capacity.
22. (SBU) Economic competitiveness and border security can – and must – go hand in hand. Our common goal is a 21st century border that expedites the flow of legitimate trade and travelers so that law enforcement authorities can focus on preventing the illicit movement of drugs, guns, bulk cash, and people. Both governments are investing in new and expanded ports of entry. Increased binational coordination at the border, improved technology, and expanded use of trusted traveler and other risk management strategies that separate high-risk and low-risk shipments and people are helping to expedite the flow of people and goods through these ports. What has the potential to be transformative are proposals to relocate some customs functions away from the border, freeing up processing resources at the border, relieving the infrastructure demands in border communities, and allowing for faster crossings. To expedite this critical work, a bi-national Executive Steering Committee, created by Presidents Obama and Calderon during Calderon's state visit to Washington, is overseeing implementation of a bi-national interagency action plan.
23. (SBU) Building strong and resilient communities is a key part of the joint strategy that reinforces all the others. Under the Todos Somos Juarez ("We are all Juarez") program, the Mexican government has engaged local community groups on priorities to keep kids out of crime, create new role models, and lure others from a world of violence.

STATE AND LOCAL INITIATIVES

24. (SBU) Thus far, most efforts under Merida have focused on building capacity within the federal government. This has yielded impressive results in institutions such as the Federal Police, which is emerging as a versatile and effective organization. At the state and local level, however, there remains a lack of capacity. Therefore, a decided shift in strategy has made it a priority to work with state and local governments who have jurisdiction over the majority of the crimes committed in Mexico. We will build upon and support the federal government's impressive efforts through the Public Security Secretariat (SSP) and the National Public Security System (SNSP) to consolidate internal affairs and background check centers in each state, to implant and financially support new models for policing, to strengthen the academy system for training, and to improve command and control centers. This is a huge task but

recent gains are noteworthy.

ECONOMIC CONTEXT

25. (SBU) Calderon has made promoting jobs, investing in infrastructure, and eradicating poverty, currently at over 40 percent, major priorities. After a 6.1% contraction of GDP in 2009, Mexico's economy grew at 5.5% in 2010 and created 800,000 new jobs. Calderon's problem is that one million new jobs are needed each year just to keep pace with the growth of the labor force. Low wage jobs were created, but high wage jobs were lost. The result: unemployment and inequality have worsened, placing a sour note on Calderon's economic efforts. Mexico has several challenges ahead, such as approving a broad fiscal reform in order to reduce its dependence on oil revenues, which currently represent around 35% of total federal revenues. He has also worked on structural reform issues, such as changes to Mexico's antiquated labor laws; however, the complexities of pushing viable economic reforms through an opposition Congress complicate advancing such an agenda. If Calderon is unable to strengthen Mexico's competitiveness in order to promote jobs and eradicate poverty, the United States will be impacted through immigration pressures and greater volatility in high-violence cities that have been the battleground for narco-traffickers. A stable and growing Mexico is in both our security and economic interests.

Signature: PASCUAL

Drafted By: POL:Rob Allison

Cleared By: DCM:Feeley, John D (Mexico City)

POL:Glover, Michael P (Mexico City)

DOJ:Garcia, Anthony P (Mexico City)

NAS:Mines, Keith W (Mexico City)

ECON:Fox, Eleanore M (Mexico City)

POL:Schiffer, Gregory K (Mexico City)

Approved By: AMB:Pascual, Carlos (Mexico City)

Released By: MEXICO:Allison, Robert S (Mexico City)

Info: ALL US CONSULATES IN MEXICO COLLECTIVE ROUTINE

Attachments: Metadata.dat

Action Post:

Dissemination Rule: Released Copy

UNCLASSIFIED

RELEASE IN PART B6

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Friday, May 14, 2010 3:41 AM
To: H
Subject: Fw: Sensitive Intel Matter

From: Pascual, Carlos (Mexico City)
To: Valenzuela, Arturo A; Jacobson, Roberta S; Steinberg, James B; Lew, Jacob J; Mills, Cheryl D
Cc: Morris, James M; 'Daniel_A._Restrepo'
Sent: Thu May 13 23:15:28 2010
Subject: Re: Sensitive Intel Matter

It is now all over the Mexican press that the wife of Chapo Guzman was arrested yesterday and then released because the government did not have the capacity to link her to a crime. I will refrain from comment in this channel on the validity of latter point. I would guess that it is at best a matter of days or less before it becomes clear who ordered her release.

This message has been sent via BlackBerry

From: Pascual, Carlos (Mexico City)
To: Valenzuela, Arturo A; Jacobson, Roberta S; Steinberg, James B; Lew, Jacob J; Mills, Cheryl D
Cc: Morris, James M
Sent: Thu May 13 19:42:30 2010
Subject: Sensitive Intel Matter

I sent you a message on the high side. I have asked the Operations Center to pass it to the Secretary. The matter may be in the PDB tomorrow. James Morris in Ops has it if you want to call in to him.

ACTION WHA-00

INFO LOG-00 VCI-00 A-00 ACQ-00 CIAE-00 INL-00 DS-00
 AVC-00 TEDE-00 INR-00 L-00 ARMY-00 MOFM-00 MOF-00
 VCIE-00 NSAE-00 ISN-00 OMB-00 PA-00 PM-00 PRS-00
 P-00 ISNE-00 SP-00 SSO-00 SS-00 TRSE-00 T-00
 ASDS-00 IIP-00 PMB-00 DSCC-00 DRL-00 G-00 SAS-00
 /000W

-----DA9F6A 082320Z /15

RELEASED IN PART
 B1,1.4(D),B6

O 082043Z NOV 10

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC IMMEDIATE 4820

INFO ALL US CONSULATES IN MEXICO COLLECTIVE IMMEDIATE

DECONTROLLED

DIA WASHINGTON DC IMMEDIATE

NATIONAL SECURITY COUNCIL WASHINGTON DC IMMEDIATE

WHITE HOUSE NATIONAL SECURITY COUNCIL WASHINGTON DC IMMEDIATE

WHITE HOUSE SITUATION ROOM WASHINGTON DC IMMEDIATE

DEPT OF HOMELAND SECURITY WASHINGTON DC IMMEDIATE

DEPT OF JUSTICE WASHINGTON DC IMMEDIATE

HQ USSOUTHCOM MIAMI FL IMMEDIATE

JOINT STAFF WASHINGTON DC IMMEDIATE

NATIONAL DRUG INTELLIGENCE CENTER JOHNSTOWN PA IMMEDIATE

FBI WASHINGTON DC IMMEDIATE

USDOC WASHINGTON DC IMMEDIATE

DEA HQS WASHINGTON DC IMMEDIATE

CIA WASHINGTON DC IMMEDIATE

US CUSTOMS AND BORDER PROTECTION WASHINGTON DC IMMEDIATE

DNI WASHINGTON DC IMMEDIATE

SECDEF WASHINGTON DC IMMEDIATE

WHITE HOUSE WASHINGTON DC

CDR USNORTHCOM PETERSON AFB CO

C O N F I D E N T I A L MEXICO 000571

SIPDIS

E.O. 13526: DECL: 2020/11/08

TAGS: PGOV, ASEC, SNAR, MX

SUBJECT: Brazen and Decentralized Attacks Mark a Trend in Mexico's
Violence

REF: A) 10TIJUANA2448; B) 10TIJUANA2412; C) 10GUADALAJARA730;

CLASSIFIED BY: Gregory Schiffer, Acting Political Minister Counselor,
DOS, POL; REASON: 1.4(B), (D)

1. (C) Summary. Recent weeks have seen a surge in massacres throughout parts of Mexico. Civilians and law enforcement officials have been gunned-down, execution style, in the states of Chihuahua, Baja California, Nayarit, Jalisco, and in Mexico City.

B1
 1.4(D)

TCOs have begun lashing out against "soft targets," possibly in response to government pressure. Other TCOs that have seen their activities

REVIEW AUTHORITY: Donna M. DiPaolo, Senior Reviewer

curtailed by authorities are increasing attacks on police forces and the military in an attempt to increase the "cost" to authorities of conducting counternarcotics activities. Notably, recent violence in Mexico City and other parts of the country appears to be more decentralized and brazen than before, with local gangs confronting each other in battles over street corners. End Summary.

TCOs Target Civilians

2. (C) [REDACTED] as of October 21 there have been 28 separate incidents in 2010 where ten or more people have been killed. Most recently, on November 3, authorities in the state of Guerrero exhumed 18 bodies from a mass grave found in a rural area outside of Acapulco. Authorities confirmed on November 6 that the remains were of 20 men from Michoacan who went missing on September 30 while allegedly vacationing in Acapulco. While some believe the 20 individuals were involved with La Familia Michoacana, Michoacan Governor Leonel Godoy Rangel has said that the men were innocent and "lived by honest means." In a separate attack on civilians on October 22, a group of gunmen massacred 14 people and wounded 20 at a private house party in the Colonia Horizontes del Sur neighborhood in Ciudad Juarez. Witnesses say the gunmen were searching for someone called "El Raton" (the mouse). In the days that followed the shooting, the local government found and identified two corpses of persons allegedly responsible for the shooting.

B1
1.4(D)

3. (SBU) TCOs also appear to be stepping up attacks on drug rehabilitation centers. On October 24, gunmen stormed a drug rehabilitation center in Tijuana, Baja California killing 13 recovering addicts. Some believe the massacre was committed in retaliation for the more than 130 tons of marijuana seized from the Sinaloa Cartel on October 17 (See Reftel A and B). This incident and the trend of increasing violence in Tijuana over the past six months raises serious concerns about the ability of local security forces to prevent violent acts of impunity by well-trained cartel

operatives and calls into question the durability of security progress made in Baja California. In a similar incident at a carwash in Tepic, Nayarit on October 27, a group of assassins killed 15 people. Eleven of the 15 killed were young, recovering addicts from a drug rehabilitation center and worked at the carwash. Drug rehab centers are often associated with a specific cartel, and though some individuals commit themselves for treatment, others use the centers to facilitate drug dealing and

other illicit activity. [REDACTED]

[REDACTED] told Guadalajara Poloff that the eleven victims were "collateral damage," and that the murders may be related to another organized crime-style execution that occurred at another car wash located in a nearby area the day before (see Septel).

B6

4. (SBU) Not all TCOs are targeting civilians. The October 28 Jalisco massacre on a highway in Jilotlan (see Reftel C) resulted in the death of nine state police officers who were on patrol in an area bordering Michoacan. The La Familia cartel is known for its brazen attacks of police, though authorities in either Michoacan or Jalisco have yet to identify any suspects. In some states, it appears that the TCOs' strategy is shifting to direct attacks on civilians instead of law enforcement authorities. This may be the case in states where TCOs feel the most law enforcement pressure but have been unable to keep the police or military at bay or confront them effectively. In these cases, attacking civilians, or "soft targets," sends a message to local governments that things should go back to the way they were before, when the TCOs operated with greater impunity. In other regions of the country where state and federal authority presence has recently increased, some TCOs seem to limit the majority of their attacks to military and police convoys. If they are able to intimidate law enforcement authorities early on, they will be able to control more land and keep other TCOs from infringing on their territory.

Decentralized Violence

5. (SBU) Mexico City has also seen incidents of violent crime, though the attacks appear to be decentralized - not involving any significant TCO direction or control. On October 26 six youth were murdered and one seriously injured by gunmen in the Tepito neighborhood. According to authorities, the victims were involved in the street level sale of drugs (narcomenudeo). [Note. In recent years, Mexico has shifted from being primarily a transporting and producing nation to having a growing market for the domestic consumption of drugs. End Note]. The primary suspects in the slayings come from a violent street gang known as "Los Perros," which deals in drugs, car theft, arm sales, and contract hits. The gang is known to be allied with Los Zetas. [Note. Though this incident was likely decentralized, the Federal Attorney General's Office (PGR) and the Secretariat of Public Security (SSP) reported recently that some of the larger drug cartels have begun to recruit local criminal groups, or "satellite gangs," to carry out high-impact crimes for them. End Note.]. Earlier in October, a family of five was murdered and two injured in the Tlalpan suburb of Mexico City when gunmen entered a private residence and opened fire. The head of that household was apparently killed for failing to pay a narcomenudeo cuota to a local gang. The PGR has thus far detained three people it believes were involved in the massacre.

6. (C) Ciudad Juarez is all too familiar with local

gang-on-gang violence. While several of the most violent gangs may be linked to TCOs, their crimes further local objectives and do not appear to be ordered from senior levels. In a particularly disturbing attack, one male and three female maquila workers were killed (12 women and three men were injured) as gunmen intercepted three buses on the Juarez-Porvenir highway on October 28.

B1
1.4(D)

October has been the bloodiest month in Juarez this year, with a total of 350 murders registered according to the State Attorney General's Office (PGJE). The violence will likely result in increased security costs for maquila operators, adding to the strain of operating in what is becoming an increasingly hostile business environment.

Impunity Breeds Violence

7. (SBU) It appears that the primary unifying thread in the recent spate of massacres is the TCOs' ongoing perception of impunity that encourages more brazen attacks. Some of these incidents also show lower-level street gangs engaging in increasingly violent tactics. The probability of being arrested, investigated, and prosecuted for a crime in Mexico is extremely low. Deterring any further violence of this nature will require authorities to investigate and prosecute more effectively. It is telling that federal prison numbers in the last year have gone down, from 227,735 inmates in July 2009 to 222,297 inmates in July 2010, despite the spike in violence. According to the May 2010 University of San Diego Trans-Border Institute Report on Judicial Reform in Mexico, only one in five reported crimes are fully investigated, and an even smaller fraction of these result in trial and sentencing. The net result is widespread criminal impunity - and a more flagrant disregard for collateral damage in cartel operations - with perhaps one or two out of every 100 reported crimes resulting in a sentence.

B1
1.4(D)

The Responsible Parties...

9. (U) The Mexican daily MILENIO recently released a GOM report on the phenomenon of crime in Mexico, disclosing that there have been 28,353 murders linked to organized crime from December 1, 2006 to July 31, 2010. Over 22,000 of the narcohomocides involve regional disputes between seven TCOs. The document indicates that the bloodiest fighting occurs in Chihuahua, Durango, and Sinaloa, where cells loyal to the Sinaloa cartel face off against cells loyal to the Juarez cartel. The conflicts between the Sinaloa and Juarez cartels have led to 8,236 murders, mostly in Chihuahua, which account for 36 percent of executions in the country. Much of the violence stems from gang rivalries and family betrayals, and for control of Juarez, the major point of departure for drugs into the United States.

Comment

10. (C) The rise in massacres and attacks on "soft" civilian targets in Mexico signals that some TCOs are becoming more volatile and less predictable.

Secretary of Government Francisco Blake condemned the spate of violence and called on civil society to rise up against organized crime. He reiterated the GOM's Pillar II efforts to strengthen its law enforcement institutions and the judicial system.

B1
1.4(D)

FEELEY

NNNN

UNCLASSIFIED//SBU

ENVELOPE

RATUZYUW RUEHMEA2397 2251320-UUUU--RHEFLGX.
ZNR UUUUU ZZH

HEADER

R131320Z AUG 09
FM AMEMBASSY MEXICO
TO RUEHC/SECSTATE WASHDC
INFO RHEHOND/DIR ONDCP WASHINGTON DC//OR//
RUZDADA/BATF WASHINGTON DC
RHMFISS/COMDT COGARD WASHINGTON DC
RUEABND/DEA HQS WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHMFIUU/DEPT OF JUSTICE WASHINGTON DC
RHEFHLC/DEPT OF HOMELAND SECURITY WASHINGTON DC
RUEABNE/EPIC EL PASO TX
RHMFIUU/FBI WASHINGTON DC
RHMFIUU/HQ USNORTHCOM
RHMFISS/HQ USSOUTHCOM MIAMI FL
RUEAIAO/HQ ICE IAO WASHINGTON DC
RHMFISS/JOINT STAFF WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RHMFIUU/USCBP WASHINGTON DC
ALL US CONSULATES IN MEXICO COLLECTIVE
WHA CENTRAL AMERICAN COLLECTIVE
BT

RELEASED IN FULL

DECONTROLLED

CONTROLS

UNCLAS

MEXICO 002397

SENSITIVE

E.O. 12958: N/A

TAGS: SNAR, KCRM, KJUS, PGOV, PREL, MX

***** THIS IS A COMBINED MESSAGE *****

BODY

SUBJECT: MEXICO MERIDA INITIATIVE SPOT REPORT #27: MEXICO PREPARES A
NEW NATIONAL COMMAND CENTER

1. (SBU) SUMMARY: IN RESPONSE TO ITS MISSION OF MAINTAINING LAW AND ORDER AS WELL AS RESPONDING TO CIVILIAN EMERGENCIES, THE SSP WILL COMPLETE A NATIONAL COMMAND AND CONTROL CENTER, COMMONLY REFERRED TO AS ?THE BUNKER?, IN EARLY SEPTEMBER 2009. IT IS A STATE OF THE ART COMPLEX THAT WILL SERVE AS A MULTI-AGENCY COORDINATION CENTER ACROSS ALL LEVELS OF GOVERNMENT FOR PLANNING, COORDINATING AND ASSISTING LAW ENFORCEMENT IN THE FIGHT AGAINST CRIME. IN ADDITION, IT WILL SERVE AS THE OPERATIONS CENTER FOR RESPONDING TO AND RECOVERING FROM LARGE-SCALE CATASTROPHIC DISASTERS FOR ALL 31 STATES AND THE FEDERAL DISTRICT IN MEXICO.

REVIEW AUTHORITY: Alan Flanigan, Senior Reviewer

UNCLASSIFIED//SBU

UNCLASSIFIED//SBU

NAS HAS PROVIDED COMPUTER EQUIPMENT AND CONTINUES TO PROVIDE TECHNICAL SUPPORT AND EXPERTISE TO SUSTAIN THE SUCCESS OF THE BUNKER PROJECT FOR A FULL OPERATIONAL CAPABILITY.

END

SUMMARY

BACKGROUND

2. (SBU) THE SSP FULFILLS THE DUAL ROLES OF THE DEPARTMENT OF HOMELAND SECURITY (DHS) AND NATIONAL POLICE IN MEXICO. THE SSP, WITH A WORK FORCE OF 30,800 PREVENTIVE POLICE PERSONNEL, IS ONE OF THE LARGEST AGENCIES IN MEXICO AND, INDEED, LATIN AMERICA. THE SSP RESPONDS TO BOTH NATURAL AND MAN-MADE DISASTERS AT ALL LEVELS OF GOVERNMENT, INCLUDING EARTHQUAKES, CIVILIAN EMERGENCIES, BREAKDOWNS IN LAW AND ORDER, CRIME PREVENTION, HAZARDOUS MATERIAL SPILLS, MAJOR ACCIDENTS AND INCIDENTS INVOLVING WEAPONS OF MASS DESTRUCTION. THE AGENCY OPERATES IN THE FEDERAL DISTRICT (DF-SSP), 31 STATES, AND ALL MAJOR CITIES IN MEXICO.

3. (SBU) WITHIN THE DF, THE SSP MAINTAINS A RESCUE SQUAD TO RESPOND TO MEDICAL EMERGENCIES 24 HOURS A DAY, 365 DAYS A YEAR. THE STAFF CONSISTS OF 80 MEDICAL AND EMT PROFESSIONALS, INCLUDING DOCTORS, RESCUERS AND RADIO OPERATORS. IN A TYPICAL YEAR, THE SSP MAINTAINS ORDER AND PROVIDES MEDICAL AND EMERGENCY SUPPORT DURING OVER 700 MAJOR DEMONSTRATIONS INVOLVING NEARLY THREE MILLION PEOPLE. IN 2005, THE SSP RESPONDED TO A TOTAL OF 51,806 INCIDENTS. THESE CASES INCLUDED RESPONSES TO SEVERELY SICK AND INJURED PERSONS REQUIRING HOSPITALIZATION, THOUSANDS WHO NEEDED ON-SCENE ASSISTANCE, 108 CHILDBIRTH CASES, AND THE RESCUE OF 82 CHILDREN ABANDONED ALONG PUBLIC THOROUGHFARES.

THE BUNKER

4. (SBU) IN ORDER TO MORE EFFECTIVELY COORDINATE ITS VARIOUS DAY TO DAY MISSIONS AS WELL AS PREPARE TO RESPOND TO MAJOR EMERGENCIES, DISASTERS, AND REGIONAL CATASTROPHIC INCIDENTS IN A COORDINATED FASHION, THE SSP IS CURRENTLY COMPLETING THE CONSTRUCTION OF A FACILITY KNOWN AS "THE BUNKER" IN MEXICO CITY. THE DESIGN FOR THE BUILDING CAME FROM A VISIT MADE BY SENIOR SSP OFFICIALS TO SIMILAR FACILITIES IN EUROPE AND NORTH AMERICA SEVERAL MONTHS AGO. IT HAS BEEN LESS THAN SIX MONTHS FROM GROUND BREAKING TO COMPLETION.

5. (SBU) THE PHYSICAL BUILDING STRUCTURE IS A FOCAL POINT FOR PLANNING, RESPONSE, AND RECOVERY FROM NATURAL AND MAN-MADE CATASTROPHIC DISASTERS. IT ALSO ENHANCES THE SSP'S CAPACITY TO

UNCLASSIFIED//SBU

UNCLASSIFIED//SBU

***** START OF SECTION 2 *****
SENSITIVE

E.O. 12958: N/A

TAGS: SNAR, KCRM, KJUS, PGOV, PREL, MX

SUBJECT: MEXICO MERIDA INITIATIVE SPOT REPORT #27: MEXICO PREPARES A PROMOTE PUBLIC SECURITY ACROSS GOVERNMENT AND REGIONS. IT IS THREE FLOORS UNDERGROUND, MEANT TO WITHSTAND ANY NATURAL DISASTER, AND EQUIPPED WITH STATE OF THE ART EQUIPMENT AND HARDWARE. IN A RECENT TOUR OF THE BUNKER, WHICH IS NEARING COMPLETION, NAS DIRECTOR WAS SHOWN AN IMPRESSIVE STRUCTURE THAT WILL ALLOW ALL FEDERAL AND LOCAL ENTITIES TO WORK TOGETHER IN PROTECTED SPACE WITH A FULL FLOW OF INFORMATION. IT LOOKS LIKE A NASA COMMAND CENTER WITH MULTIPLE SCREENS AND THREE ROWS OF TRAINED COMPUTER OPERATORS MONITORING DATA AND EVENTS ACROSS THE COUNTRY, ALL OF WHICH CAN BE PROJECTED FOR THE GROUP AND FOR DECISION MAKERS DURING AN EMERGENCY.

6. (SBU) THE BUNKER IS ADJACENT TO THE SSP'S NEW HEADQUARTERS COMPLEX IN MEXICO CITY (CONSTITUYENTES) TO BETTER SUPPORT ITS MAIN FUNCTIONS. AS THE PHYSICAL PRINCIPAL SITE OF PLATAFORMA MEXICO, THE COMMAND CENTER WILL HAVE THE INFORMATION NEEDED TO EMPOWER THE SSP OPERATIONS OFFICERS TO COLLATE INTELLIGENCE REGARDING MAJOR INCIDENTS FROM MANY OF ITS DEPARTMENTS AND MANAGE THEM FROM INITIAL PREVENTION, RESPONSE, AND RESUMPTION OF NORMAL CONDITIONS AFTER AN INCIDENT. WITH THE IMPLEMENTATION OF STANDARDIZED CORE COMPETENCIES (SIMILAR TO DHS, DOJ AND FEMA AGENCIES IN THE U.S.) IN INCIDENT MANAGEMENT AND LAW ENFORCEMENT, AS WELL AS INTELLIGENCE GATHERING AND OTHER BUSINESS INTELLIGENCE FUNCTIONS, THE SSP NATIONAL EMERGENCY TEAMS WILL BE USING CONSISTENT PROCEDURES, COMMON INCIDENT LANGUAGE, STANDARDIZED COMMUNICATION PROTOCOLS AND HAVE COMMON SITUATIONAL AWARENESS FOR SWIFT AND EFFECTIVE CRISIS RESPONSE.
U.S. CONTRIBUTION

7. (SBU) CURRENTLY, NAS HAS DELIVERED AND INSTALLED OVER 60 SERVERS FOR THE PROJECT AT A COST OF APPROXIMATELY \$3.5 MILLION (PIPELINE FUNDS). WE ARE ALSO PROVIDING TECHNICAL SUPPORT TO DEFINE THE BEST MEANS TO ENHANCE THE CAPABILITY OF THE BUNKER TO FULFILL AN EXTREMELY COMPLEX MISSION. ALL OF THIS WILL GREATLY STRENGTHEN MEXICO'S CAPABILITY TO DISSEMINATE TIMELY, ACCURATE AND ACTIONABLE INFORMATION TO DECISION-MAKERS AND THE PUBLIC, AS WELL AS PROVIDE A MEANS TO DETERMINE AND LAUNCH APPROPRIATE REMEDIAL MEASURES DURING CIVIL EMERGENCIES.

UNCLASSIFIED//SBU

UNCLASSIFIED//SBU

8. (SBU) COMMENT: THE PROJECT IS PART OF A GROWING WEB OF NEW TECHNOLOGIES THAT MEXICO IS ROLLING OUT TO SUPPORT THE FIGHT AGAINST ORGANIZED CRIME AND TO BETTER PREPARE FOR NATURAL DISASTERS. IT IS ALSO PART OF THE DIZZYING PACE OF NEW CONSTRUCTION THE SSP IS UNDERTAKING THAT INCLUDES TWO HANGERS, TWO MAJOR OPERATIONS CENTERS, A FORENSICS LAB, AN INTELLIGENCE FACILITY, A STATE OF THE ART FIRING RANGE, AND SPECIAL OPERATIONS TRAINING FACILITIES, ALL THIS AT THE IZTAPALAPA AND CONSTITUYENTES FACILITIES ALONE. THEY ARE EVIDENCE OF THE 300% INCREASE IN THE SSP'S BUDGET OVER THE PAST THREE YEARS.
PASCUAL

ADMIN

BT

#2397

6B5A

NNNN

UNCLASSIFIED//SBU

1 (Government Exhibit 41 received in evidence.)

2 Q And just remind us, what is Barbie's full name?

3 A Edgar Valdez Villareal.

4 Q And what, if anything, happened with Barbie's wedding?

5 A The party took place, but none of us went, not even him.

6 The government raided it, but they didn't find anything.

7 Q Now, was there ever a time that the cartel ever received
8 any equipment from the defendant, Garcia Luna?

9 A He gave us a connection so we could get equipment for
10 wiretaps and spying.

11 Q And who did the defendant connect you to?

12 A It was an Israeli guy that sold equipment in Mexico City.

13 Q Did you have any direct role in that?

14 A Not really, but a couple of times I did pick up some
15 equipment at an office that they had on Insurgentes.

16 Q And what was the equipment?

17 A There were call inhibitors, cameras, recorders, wiretap
18 equipment. They were very cutting edge. Arturo liked to
19 renew all this kind of counterintelligence equipment.

20 Q And did Arturo Beltran use that equipment?

21 A Yes.

22 Q And how did he use it?

23 A There was a person in charge of handling that kind of
24 equipment. And personally, Arturo would carry these cards.

25 And if someone was carrying a mic on them, they would vibrate

1 out new projects.

2 Q And after this first meeting, were there other times that
3 you met with Genaro Garcia Luna or his staff to discuss
4 financing for security projects in Coahuila?

5 A There was a second time we were invited to go to this
6 building where there's high security and high intelligence so
7 that we could take a tour of the building.

8 Q What is that building called?

9 A At the time, they called it the bunker.

10 Q And when did you go to the bunker?

11 A Beginning 2009.

12 Q What was the bunker?

13 A Well, that building housed some of the most advanced
14 intelligence systems that analyzed in real time everything
15 that was going on in every single state; for example,
16 different indexes. And if you needed to identify a person at
17 a state, you could do that in real time. It was a very
18 complex intelligence and security system at the federal level.

19 Q And who gave you a tour of the bunker in 2009 ?

20 A It was given to the governor by Licenciado Genaro
21 Garcia Luna.

22 Q And were you present?

23 A Yes.

24 Q You've talked about some of the technology.

25 Was there any technology to make recordings in the

1 bunker.

2 A We were offered a service with the technology where you
3 could take a cell phone, you would send a text message, and
4 then from there they could access and analyze all of your
5 calls, calls you had made in the past. And also there was
6 this service where you could record said calls.

7 Q What was the name of that technology?

8 A At that time, they called it Pegasus.

9 Q And while you were in the bunker tour, did anyone sample
10 that for you?

11 A Yes. We were asked to provide a cell phone from one of
12 the people who were there from the State so that they could
13 prove and show the service. We gave them the cell phone of
14 one of the people who was there with us. And then on the
15 screen you could visualize and see all of the messages from
16 this person.

17 Q And you said you were offered the technology.

18 Did you and the governor buy that.

19 A No.

20 Q Why not?

21 A Well, we didn't want for the information, the people from
22 the State, to be heard or to be found that might affect us
23 later.

24 THE COURT: Ms. Reid, at a good point.

25 [REDACTED] This is a good time.

**Senior Bureau Official Kozak's and Deputy Assistant Secretary Creamer's
Participation in the U.S. – Mexico Bilateral Human Rights Dialogue
Friday, December 8, 2017; 9:00 a.m., 3 hours**

AGENDA

- I. (U) Opening Statements (WHA, DRL, GOM)**
- II. (U) Cooperation in Multilateral Fora (IO, GOM) – shared topic**
- III. (U) Death Penalty and Consular Notification (GOM, DOJ) – Mexican topic**
- IV. (U) Actions to Protect Journalists and Human Rights Defenders (DRL, GOM) – U.S. topic**
- V. (U) Human Rights of Migrants and Use of Force on the Border (GOM, DHS) – Mexican topic**

COFFEE BREAK

- VI. (U) Actions to Prevent and Eradicate Torture (WHA, GOM) – U.S. topic**
- VII. (U) Police Practices and Criminal Justice System (GOM, DOJ) – Mexican topic**
- VIII. (U) Cooperation to Combat Disappearances (DRL, DOJ, GOM) – U.S. topic**
- IX. (U) Bilateral Cooperation on Human Rights Topics and Closing Statements (GOM, DRL, WHA)**

Context

(SBU) By keeping the same themes as the last Bilateral Human Rights Dialogue (BHRD), we will emphasize consolidating gains from last year, including the recent passage of milestone legislation against torture and forced disappearances, and focus attention on problems (b)(5)

(b)(5) or for attacks on human rights defenders and journalists. The Mexican government plans to raise concerns about the human rights of migrants, the death penalty, and U.S. police practices; we will raise disappearances, torture, and protection of journalists and human rights defenders (HRDs). We will also discuss multilateral cooperation on human rights issues. Within the context of multilateral cooperation, the Mexican government will focus on collaboration at the UN Human Rights Council, to which Mexico was elected earlier this year for a 2018-2020 term, as well as at the Organization of American States (OAS) and the Global Compact on Migration (from which the United States withdrew on December 3). Finally, we will discuss human rights of third-country migrants and refugees. In advance of this meeting, DRL Senior Bureau Official

Ambassador Kozak and WHA DAS Creamer met with U.S.-based civil society groups and Ambassador Jacobson met with Mexico-based groups. These meetings underscored civil society's priorities of ensuring the new laws against torture and forced disappearances are implemented effectively and funded amply; ending the impunity that fuels violence against human rights defenders and journalists by ensuring these crimes are professionally investigated and vigorously prosecuted; addressing allegations of targeted use of spyware against human rights defenders; and ending exploitation of and violence against migrants. Mexican NGOs emphasized the importance of continued public support, which they said empowered them vis a vis the Mexican government.

(SBU) Ministry of Foreign Affairs (SRE) U/S for Multilateral Issues and Human Rights Miguel Ruiz Cabanas will lead the Mexican delegation. DAS Creamer and DRL Senior Bureau Official Kozak will both provide opening remarks and introduce the delegation.

Session 1: Opening Statements

[Deputy Assistant Secretary Creamer will begin and then Senior Bureau Official Kozak will give opening remarks.]

(SBU) Opening Statements:

I. (U) (DAS Creamer):

(b)(5)

-3-

(b)(5)

[Turn over to Amb Kozak for opening remarks]

II. (U) (DAS Kozak):

(b)(5)

(b)(5)

(b)(5)

[Turn over to U/S Ruiz Cabañas to give his opening remarks.]

Session 2: Cooperation in Multilateral Fora (GOM, IO DAS Barclay)

Shared Topic: Government of Mexico, IO DAS Erin Barclay

[IO will begin with our presentation, GOM will follow.]

(SBU) **Context:** Mexico has taken a leadership role on Venezuela over the past year. We would like Mexico to continue cooperating with us at the UN and OAS. We share many of the same concerns in the region, such as Venezuela and Nicaragua, and would like to thank Mexico for taking a more active participation in the region.

(SBU) **Organization of American States:** Mexico tabled an OAS resolution last year proposing a new quota-based scheme to fund the OAS human rights system. OAS members did not approve the proposal. The U.S. does not support such a proposal as it will amount to almost a \$2.3 million increase in expenditures for the United States in each of the next two years. Mexico has also told some OAS delegations that such an effort would also require an “Inter-American Human Rights System (IAHRS) modernization process” within the OAS Permanent Council, something we do not want to see resurrected. The United States provides the largest amount to the OAS budget, at 59.47 percent.

(SBU) **U.S. Withdrawal from Global Pact on Migration:** The United States announced on December 3 its decision to end participation in the UN process to develop a Global Compact on Migration (GCM). Negotiations on the GCM will be based on the New York Declaration, a document adopted by the UN in 2016 that commits to “strengthening global governance” and contains a number of policy goals that are inconsistent with U.S. law and policy. The United States supports international cooperation on migration issues, but it is the primary responsibility of sovereign states to help ensure that migration is safe, orderly, and legal.

(U) (DAS Barclay) will speak.

(b)(5)

[Turn over to U/S Ruiz Cabañas to introduce a Mexican representative]

Session 3: Death Penalty and Consular Notification

Mexican Topic: GOM, DOJ

[U/S Ruiz Cabañas will begin, DOJ will follow.]

(SBU) **Background on the Death Penalty and Consular Notification:** Mexico objects to the death penalty in general and to its application to Mexican nationals in particular; failures by some local jurisdictions in the United States to provide Mexican consular authorities timely notification and access to detainees have exacerbated these concerns. In the *Case Concerning Avena and Other Mexican Nationals (Mex. v. U.S.)*, 2004 I.C.J. 12 (Mar. 31) (*Avena*), the International Court of Justice (ICJ) ruled that the United States failed to comply with consular notification obligations under the Vienna Convention on Consular Relations, with respect to 51 Mexican nationals, by failing to inform the detained individuals of their right to have their consulate notified without delay and to have access to consular officials. As a remedy, the ICJ ordered the United States to provide review and reconsideration of the conviction and sentences of these individuals, all of whom were sentenced to death in U.S. courts. A 2008 U.S. Supreme Court decision in *Medellín v. Texas* held that the ICJ ruling was binding on the federal government but not on the states, absent congressional action. Thus far, five Mexican nationals named in the *Avena* decision have been executed, all in Texas, without the required “review and reconsideration.” The most recent case will likely be raised by the Mexican delegation. Texas executed Ruben Cardenas November 8. Currently, there are two *Avena* defendants in Texas who have exhausted all avenues of challenging their convictions and sentences. There was an international campaign to block Cárdenas’s execution because he was never provided a chance to speak with his consulate after his arrest and was not provided a lawyer until 11 days after his arrest; his attorney claimed evidence against him was faulty and his confession was coerced. The UN Special Rapporteur on extrajudicial, summary or arbitrary executions and the Vice-Chair of the Working Group on Arbitrary Detention issued a statement noting the U.S. Government “implemented a death penalty without complying with international human rights standards.” The Inter-American Commission on Human Rights had also called for a new trial “which respects due process and fair trial standards.”

[DOJ will respond on U.S. commitment to consular notification, the Avena cases, and death penalty.]

Session 4: Actions to Protect Journalists and Human Rights Defenders

U.S. Topic: DRL, GOM)

[DRL will begin with its presentation; GOM will follow.]

(SBU) Cyber Attacks on Human Rights Defenders: In the wake of a widely publicized investigation by the University of Toronto's Citizen Lab, which revealed in June that 10 Mexican journalists and human rights defenders were targets of an attempt to infiltrate their smartphones through an Israeli spyware program called Pegasus sold only to governments, our goal is to encourage the Mexican government to stop seeing civil society as a threat. Officials at the Attorney General's Office admitted to having purchased Pegasus but claimed to have used it only to monitor criminals. With 11 Mexican reporters killed for their work so far this year, the most dangerous year for journalists in Mexico's modern history, [REDACTED] (b)(5)

[REDACTED] (b)(5)

(b)(5) We want the specialized federal prosecutor for crimes against journalists, FEADLE, to finally win its first homicide conviction after five years of existence.

(SBU) Protection of Journalists/Mechanism: David Kaye and Edison Lanza, Special Rapporteurs on freedom of expression for the United Nations and the Inter-American Commission on Human Rights, issued a statement December 4 criticizing Mexico's record in protecting journalists and human rights defenders and calling on the government to redouble its efforts (tab). According to NGO Article 19, Mexico is one of the most dangerous countries in the world for journalists. The Committee to Protect Journalists (CPJ) has ranked Mexico eighth in their global impunity index. As of November, 11 journalists have been killed in Mexico so far this year, including the first victim, Candido Rios, to be killed while under federal protection through the government's Mechanism to Protect Human Rights Defenders and Journalists, which was established in 2012 to implement

precautionary measures to limit risk. Following the wave of killings in early May, President Pena Nieto replaced the special prosecutor for crimes against freedom of expression at the Attorney General's Office and held a televised meeting with state governors and attorneys general to call for action in cases of violence against journalists. NGOs welcomed the move but expressed concern over continued major shortcomings, including the lack of an official protocol to handle journalist killings. NGOs continue to complain that the new special prosecutor had not used his office's powers to take charge of cases in which state prosecutors had not produced results. Between 2012 and 2016, the mechanism accepted 316 requests for protection. According to Article 19, authorities from various levels and institutions of government are responsible for 51 percent of attacks. While the mechanism represents an important recognition by the government of the severity of the danger facing human rights defenders and journalists, NGOs have criticized the mechanism as underfunded, ineffective, and lacking political support; it has run through four directors in five years and its small staff is undertrained. Most seriously, impunity undermines the mechanism, since real protection will come only with prosecutions to deter further attacks. At a local level, civil society has found fault in the implementation of protective measures, such as police not responding to panic buttons. Through a USAID grant to Freedom House and now USAID support to Tetra Tech, the U.S. government is working to help Mexican officials and NGOs improve the mechanism. USAID's FY16 funding level for human rights is \$7.7 million. For both the mechanism and overall work with civil society leaders to protect journalists and human rights defenders, USAID gave grants to:

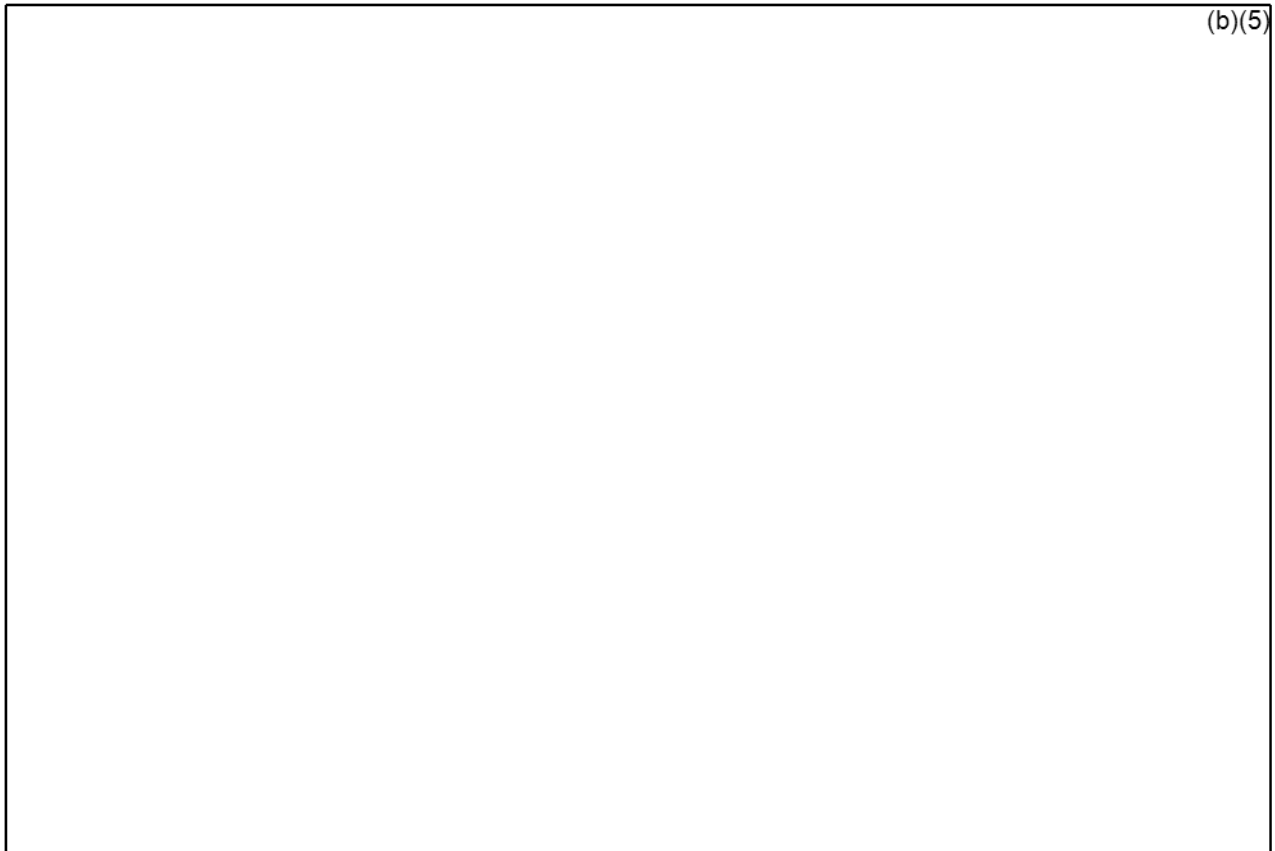
- USAID is financing a 10 million dollar project over five years with Enfoque DH, to work on public policies related to human rights and serious violations, such as torture, forced disappearances and extrajudicial executions. The project focuses on the federal level as well as Chihuahua, Coahuila, Jalisco, Nuevo Leon, and Tamaulipas.

- USAID is working With INSYDE on a project on torture and enforced disappearances. With Article 19, on protection of journalists. With CENCOS, on human rights advocacy. With Pro Voces, on a project of freedom of expression. Through the Merida Initiative, we are supporting the consolidation of the accusatory criminal justice system. This includes training for prosecutors and judges at the federal level, and programs to monitor the effectiveness of prosecutors at the state level in order to reduce impunity. While the BHRD is unfolding, Embassy Mexico's Public Affairs Section is simultaneously hosting a

major “tech camp” for journalists to learn about cyber security and other protection tools.

(SBU) **Attacks against human rights defenders:** The head of the Baja California Sur state human rights commission was killed by gunmen November 20. Just four days later, an official from the Jalisco human rights commission was kidnapped. These attacks combined with others against civil society activists are a great source of concern to human rights defenders throughout Mexico. Since 2012, more than 15 missionaries or priests -- have been murdered. The Catholic Multimedia Center (CMC) reported that criminal groups continued to target priests and other religious leaders in some parts of the country, including through killings, kidnappings, death threats, and extortion. The CMC reported criminal groups killed four priests and attempted to kidnap two other priests in 2017. The criminal groups also attacked the Metropolitan Cathedral and the Mexican Bishop’s Office in Mexico City. In August the CMC called Mexico the most violent country for priests in Latin America for the ninth year in a row.

(U) **Talking Points (DAS Kozak):**



(Ambassador Kozak turns to Deputy Assistant Administrator Barbara Feinstein for her to outline support provided to protection mechanism. Once finished, she turns back to Ambassador Kozak).

Additional Talking Points (DAS Kozak):

(b)(5)

-12-

(b)(5)

SENSITIVE BUT UNCLASSIFIED

(b)(5)

Session 5: Human Rights of Migrants and Use of Force on the Border

Mexican Topic: GOM; DHS

[GOM will present; DHS/CBP Chief Chavez will follow.]

(SBU) **Human Rights of Migrants and Use of Force:** DHS employs a National Use of Force Review Board (UFRB), which, through Use of Force Incident Teams (UFIT), uses standard investigative protocols to gather facts surrounding use of force incidents that result in death or serious injury. From January 1, 2010 to October 20, 2016, CBP has recorded 45 use of force incidents involving a fatality. On June 30, 2016, the Board publicly released the results of its first four investigations, each of which said the agents' use of potentially deadly force was in compliance with CBP's use of force policy. The Board is currently investigating 11 additional cases and will release conclusions of all cases that have completed the internal review process, which involve the UFRB. Presently, the only incident determined to warrant criminal prosecution remains the October 2012 shooting of Mexican citizen Jose Antonio Elena Rodriguez by Border Patrol Agent Swartz. A Border Patrol Agent, Rogelio Martinez, was killed November 20 in Southwest Texas while on patrol by being struck in the head with rocks. Authorities have been searching for witnesses and potential suspects after Martinez was killed and a fellow agent was seriously injured.

(SBU) In May 2014, CBP released a revised use of force policy handbook as a response to Mexican concerns and has since then increased the number of use of force training sessions officers in the field receive. After a decline of 26 percent in use of force incidents from Fiscal Year 2014 to FY 2015, use of force incidents rebounded by 29 percent in FY2016

(SBU) During the 2016 BHRD, Mexico asked for improved coordination between the U.S. federal government and local authorities and continued strong bilateral cooperation to address incidents of violence along the border. Mexico's ongoing concern has been exacerbated by high-profile shootings in the past few years. Of these cases, one of the most sensitive is an October 10, 2012, shooting of 16-year old Jose Antonio Elena Rodriguez by Border Patrol Agent Lonnie Swartz.

Rodriguez was physically in Mexico when he was shot and killed by a volley of shots fired from the U.S. side. Agent Swartz has been indicted on federal murder charges for the death of the teenager. On Oct. 3, U.S. District Judge Raner C. Collins moved the start of the trial to March 2018. There is also a civil damages suit by the deceased's family against Agent Swartz in federal court, which is on appeal by Swartz. The U.S. Government and the GOM have taken opposing sides on whether the family has a basis to sue the agent under the U.S. Constitution.

(SBU) In June, the U.S. Supreme Court sent back to a lower court a cross-border shooting case, Hernandez v. Mesa. The Supreme Court said the lower court made a mistake when it found Mesa had qualified immunity. The lower court's rationale stressed that Hernandez was not a U.S. citizen, which the justices say that Mesa did not know when he shot him. The case deals with the June 7, 2010, fatal shooting of a 15-year-old Mexican citizen by a U.S. Border Patrol Agent who was patrolling the concrete riverbed area between the border fence in El Paso and the boundary line. The victim, Sergio Hernandez, was in Mexican territory behind a concrete bridge piling when he was shot. The U.S. Government and the GOM are also on opposing sides of the case. In both Swartz and Hernandez cases, the Department of Justice has asked the courts to find the decedents did not have rights under the U.S. Constitution, citing concerns about an expansion of constitutional rights to foreign nationals in foreign countries that could potentially impact USG activities abroad, including the Department's conduct of diplomatic and consular operations. In particular, these cases touch on sensitive constitutional issues about whether a Mexican national in Mexico is subject to 4th and 5th Amendment protections against use of excessive force.

[DHS/CBP Chief Chavez will speak regarding use of force protocols and migrant treatment.]

Session 6: Actions to Prevent and Eradicate Torture

U.S. Topic: GOM; WHA

[DAS Creamer will begin presentation. GOM will follow.]

(SBU) (b)(5) the need for sustained resources and political will to address torture and to fully implement judicial reform, including a truly independent new prosecutor-general (Fiscalía) which the Mexican government is planning to replace the Attorney General (PGR). (b)(5) the government to undertake thorough investigations of credible allegations of torture,

prosecutions of those responsible, and barring of evidence gained from torture from use in criminal proceedings. We would like to offer INL prosecutor training to those in the new Special Unit to Investigate Torture and the “Mechanism to Follow-Up on Cases of Sexual Torture Against Women.”

(SBU) General Law to Prevent Torture: A new General Law to Prevent Torture passed the Senate and was signed into law in 2017 after several years of debate. The law, which had significant input from civil society and the office of the UN High Commissioner for Human Rights, prohibits torture, excludes any evidence obtained through torture, creates a National Mechanism to Prevent Torture, and extends legal responsibilities up the chain of command. Several NGOs applauded the legislation, which was originally introduced at the request of President Peña Nieto in 2015. Amnesty International has said it could prove useful for reducing impunity. Now the challenge is to ensure its effective funding and implementation.

(SBU) Torture: The IACHR, the OHCHR, and the UN Special Rapporteur on Torture have all stated that the practice of torture is widespread in Mexico, including as a means to obtain confessions – a finding also supported by Mexican and international NGOs. In a 2016 report based on interviews with 100 incarcerated women, Amnesty International found that 97% reported physical violence and 72 percent reported sexual violence during their arrest or in the hours that followed it. In the Iguala investigation, the IACHR experts reported that nearly 80 percent of the suspects detained had injuries consistent with torture or “cruel and inhuman” treatment. The Attorney General ordered investigations into all cases of suspects related to Iguala but there have been no convictions in this most emblematic of cases. Civil society alleges torture was incentivized in the old judicial system, as confessions often served as a primary basis for conviction, and that the general public, at times, views torture as an acceptable way to punish criminals. More generally, they assert that impunity is institutionalized: credible allegations of torture are not investigated, medical examiners are not always independent, and public prosecutors are reluctant to investigate complaints. We expect that, under the new judicial system, there will be more transparency and a significant decrease in instances of torture. (b)(5) The Mexican government told us earlier this year authorities had prosecuted 16 cases of torture, a figure which represented a fraction of the number of allegations of torture filed with the National Human Rights Commission.

(b)(5)

(SBU) Exclusion of Evidence Gained Through Torture: NGOs assert that statements obtained through torture are still accepted by some judges as admissible. They cite the case of Tlatlaya, which has also gained international attention, in which 22 civilians were killed by soldiers in June 2014, in what the Mexican Army said was a shootout. However, the Human Rights Ombudsman (CNDH)'s investigation determined that at least 12 of the victims were executed. There have been no convictions in the case. Media and NGOs reported the judge's decision in May to release the last three soldiers was based on the judge's concerns about a lack of physical evidence and a lack of consistency in statements by the three witnesses. The CNDH published a recommendation in October 2014 that concluded the women's initial statements were obtained through torture. In later statements they refuted their initial claims. A Supreme Court decision criticized the investigation and prosecution.

(SBU) Judicial Reform: To improve the transparency, effectiveness, fairness, and efficiency of the criminal justice system, Mexico's courts transitioned in 2016 from an inquisitorial-style legal system based primarily upon judicial review of written documents to an accusatory trial system. A constitutional amendment enacted in 2008 mandated that federal and state governments establish this new system, which relies upon oral testimony presented in open court. While it will take several years to implement fully the accusatory system, as of June 2016, the federal government and all states have adopted it. In some states, alternative justice centers employ mechanisms such as mediation, negotiation, and restorative justice to resolve minor offenses outside the court system. The government's proposal to create a new prosecutor-general (Fiscalía) which would in theory be insulated from politics provides grounds for optimism, but a bill to automatically transfer authorities and staff from the Attorney General's Office (PGR) could make this change merely cosmetic initially.

Talking Points (DAS Creamer):

(b)(5)

(b)(5)

Session 7: Police Practices and Criminal Justice System

Mexican Topic: DOJ; GOM

[DOJ will begin the conversation, GOM will follow.]

(SBU) **U.S. Police Practices:** The Mexican government annually expresses concern about police practices (and the use of deadly force) in the United States vis-à-vis Mexican citizens. This is an issue they included in BHRD the last time it was held in Washington in 2015, when then Deputy Assistant Attorney General Robert Moossy briefed on law enforcement issues, including technology and policing; diversity in police departments; and whether our justice system creates unfair burdens for poor communities. He underscored the important linkages between communities and law enforcement, where the police can facilitate and build trust. Moossy also described the role of DOJ's Community Relations Service that has independent conciliators and mediators provided to the public, who can give legal advice. USAID provides ongoing assistance and training for Mexican police.

(SBU) Mexican Police Practices: While the Mexican government works to restructure and professionalize its police forces, the military continues to play a critical law enforcement role, particularly in confronting powerful transnational criminal organizations. Critics argue the militarization of law enforcement in Mexico has directly contributed to increased human rights abuses. The Merida Initiative is implementing programs that promote community policing, police professionalization, accountability and criminal justice system reform, as well as a significant role for civil society in interacting with police and monitoring police performance.

(SBU) Internal Security Law: The Mexican Congress is expected to pass a law this week enhancing military authorities to combat organized crime. The “Internal Security Law,” which until a week ago appeared dead in the water after two years of discussion, was rushed through the legislature in near record speed in part to prove the ruling party’s bona fides on security heading into a presidential election year. The law was passed in both chambers in the face of vocal protests from civil societies, who are skeptical about the law’s intentions, claiming it further militarizes public security policy, diminishes incentives on authorities to strengthen civilian police forces, and will increase the number of human rights abuses attributed to military forces. Security experts say the law will likely be challenged in court, particularly due to a clause giving military commanders authority to direct civilian security officials in specific operations. They suggest the clause undermines constitutional requirements that the military must act only “in support of” civilian authorities.

(U) Talking Points (DOJ):

(b)(5)

Session 8: Cooperation to Combat Disappearances

Shared U.S. Topic: DRL; GOM

[DRL will begin (possible presentation by DOJ NAMUS); GOM will follow.]

(SBU) Disappearances Law: Mexico's passage of landmark legislation criminalizing forced disappearance on October 12 was a milestone. However, given the scope of the problem-- up to 30,000 victims-- the government can't afford to rest on its laurels; prosecutions and robust implementation of new registries must quickly follow. The law clarifies the role of various authorities in investigating disappearances, creates a national search commission, and establishes tough penalties for the new crime of forced disappearance. In theory, and if funded adequately, the law could combat forced disappearances and assist authorities in the search of victims. The key challenge, as is often the case in Mexico, will be effective implementation, especially during an election year. According to the National Registry of Missing Persons, 32,277 people in the country are recorded as missing or disappeared. NGOs welcomed the law's passage, though several criticized their perceived weakness of the National Search Commission. We want the Mexican government to thoroughly investigate and prosecute, as appropriate, those responsible for disappearances, including government agents. We should make clear that U.S. officials and Members of Congress continue to closely watch the Iguala case, (b)(5)

(b)(5)

(b)(5)

The passage of the disappearances law gives new momentum to an effort by DRL, WHA, and DOJ to share best practices in missing person database management and possibly developing specific mechanisms to share biodata on cases of cross-border disappearances since the crime sometimes affects U.S. citizens.


(SBU) Iguala Case and Disappearances: UN officials, special rapporteurs, and civil society groups allege that forced disappearances persist at significant levels and that investigations and prosecutions have been inadequate. Civil society sees the 2014 disappearance of 43 students from the Ayotzinapa Teacher's College as emblematic of the unwillingness or inability of the Mexican government to ensure that the perpetrators, (b)(5); (b)(7)(A); (b)(7)(D)

(b)(5); (b)(7)(A); (b)(7)(D)

are investigated thoroughly and, as appropriate, held accountable. The final report of the IACHR-affiliated experts in April alleged Mexican authorities lost, ignored, and fabricated evidence; obstructed the work of the experts; and failed to follow leads. In 2016, Mexico agreed to a follow-up mechanism with the IACHR to monitor

developments in the case and to help implement experts' recommendations, and in November 2017, Mexico agreed to extend its mandate an additional year. Mexico has also agreed to pay for the mechanism, though accusations the government deployed spyware against IACHR investigators raised international concerns. The Mexican Government reported it had complied with 923 of the experts' 973 recommendations. According to information provided by the PGR in August 2017, authorities had indicted 168 individuals and arrested 128, including 73 police officers from Cocula and Iguala and 55 alleged members of the Guerrero-based drug trafficking organization, Guerreros Unidos. Representatives of civil society organizations and the IACHR-affiliated experts noted that authorities held many of those arrested on charges such as participation in a criminal organization but not on involvement in the students' disappearances. A CNDH report implicated federal police and local police officers from nearby Huitzuco. In October 2016 authorities arrested the former police chief of Iguala, Felipe Flores, who had been in hiding since the 2014 disappearances. The PGR, the Foreign Ministry and the Interior Ministry meet regularly with the families of the victims to update them on the progress being made in the case. Both federal and state authorities continued to investigate the case, including the whereabouts of the missing students or their remains.

(b)(7)(A); (b)(7)(D)



(SBU) National Missing and Unidentified Persons Database: The Department of Justice presented the United States NamUs missing persons database and

sponsored a 2016 study trip for then- Mexican Deputy Attorney General Eber Betanzos and four others to Ft. Worth, TX, where NamUs is based. A subsequent change in the Attorney General swept out several of his staff, including Betanzos, meaning we need to rebuild awareness of this tool and the possibility for collaboration as Mexico builds/improves its own databases in implementation of the General Law on Disappearances. The government argues that NGOs hold the government responsible unfairly for disappearances by cartels. The government claims they have made progress in launching the PGR's AM/PM (Ante Mortem/Post Mortem) database to track missing and deceased persons in one database and PGR's "Has Visto A" to publicize missing persons cases. Civil society groups note that the government has not yet spelled out a plan to implement other provisions of the disappearances law, including a national search commission and special prosecutors for forced disappearance at both the federal and state levels. The disappearances law's recent passage gives a window of opportunity to engage on this issue, which has implications for U.S. national security given U.S. nationals are victims in some forced disappearance cases.

(SBU) Convictions: According to the National Registry of Missing Persons (RNPED), 31,053 people were recorded as missing or disappeared as of April 30, 2017. Tamaulipas was registered as the state with the most missing or disappeared persons at 5,657, following by Mexico State at 3,754 and Jalisco with 2,754. Men represent 74% of those disappeared, according to the database. As of August 2017, the PGR Deputy Attorney General for Human Rights was investigating 943 cases of disappeared persons. Of these cases, the Specialized Prosecutor's Office for the Search of Missing Persons (FEBPD) handled the case files for 747 people; the Unit for the Investigation of Crimes against Migrants handled 143; the Iguala Case Investigation Office (OICI) handled 43; and the Special Prosecutor for Violence against Women and Trafficking in Persons handled 10 cases.

PGR revamped its Special Unit for Disappeared Persons in 2015, establishing expanded authorities and transferring 846 open cases from the former PGR unit that had existed since 2013. The Special Unit for Disappeared Persons employs 33 prosecutors and, as of August 2017, was investigating the cases of 782 missing or disappeared persons. PGR's human rights training includes courses on investigating disappearances. PGR reported 14 convictions for forced disappearance at the federal level between 2005 and December 31, 2016.

(U) Talking Points (Ambassador Kozak):

(b)(5)

-24-

(b)(5)

(b)(5)

[Introduce and Acknowledge Director Gerry LaPorte]

(b)(5)

SENSITIVE BUT UNCLASSIFIED

(b)(5)

Session 9: Other Human Rights Topics and Closing Statements

Shared Topic: WHA and DRL; GOM

[DAS Creamer will begin with his presentation, Amb Kozak will follow; U/S Ruiz Cabañas will close.]

(U) Talking Points (DAS Creamer):

(b)(5)

(b)(5)

[DAS Creamer passes to Amb Kozak.]

(U) Talking Points (Amb Kozak):

(b)(5)

[Turn over to U/S Ruiz Cabañas for closing remarks. Invite principals to join you for lunch in XX.]

-27-

Drafted: DRL/WHA – [REDACTED] (b)(6)
WHA/MEX – [REDACTED] (b)(6) and Embassy Mexico –
[REDACTED] (b)(6)

Cleared: DRL/WHA: JPiechowski (ok)
WHA/MEX: [REDACTED] (b)(6) (ok)

1 the scene, the DEA was on the scene. They couldn't get out of
2 it. They quickly arranged a press conference. Adrian Ibanez
3 told you about it. Said very unusual. That's not normally
4 what they do, but this was a big seizure, so since they
5 couldn't fix the problem, they decided to own it, and had a
6 huge press conference with photo ops to make it look like they
7 were doing something, because every once in a while, you've
8 got to do something. You've got to keep up appearances.

9 Conejo told you about this too. Conejo told you
10 that after the federal police arrested him at Rey's request,
11 they did a photo shoot and video interview where they told him
12 that he -- they asked him, who do you work for, he said,
13 Arturo Beltrán, and then they told him, no, no say you work
14 for Chapo. Say you work for Chapo. Let's put some
15 disinformation out into the press. Got to take care of that
16 image.

17 And he took great care to curate his image with
18 visitors in Mexico City. When U.S. officials would come, he
19 would put on a great show. He'd take them to the bunker. You
20 heard about this bunker. He'd take them on a tour of his
21 intelligence center. Telulane [phonetic] was very impressed.
22 He'd take them out to the training facility in BLACK HAWK
23 helicopters and show them tactical displays, and people going
24 around with guns, and he said, basically, it was the same
25 every time. That's a nice way of saying it was a dog and pony

1 show. It was a show. It kept of the Americans happy. It
2 looked impressive. But when it came to his domestic agenda,
3 that dog and pony show was a show of force, because
4 domestically, when these governors and attorney generals came
5 to town, he'd give them the tour of the bunker.
6 Hector Villarreal Hernandez is taken to the bunker in 2009 by
7 Genaro Garcia Luna, and you remember how he describes it? It
8 was impressive. It was intimidating, almost. So many screen.
9 They could tap my phone. Suddenly, they knew everything that
10 I knew. And it's after the tour of the bunker where he says,
11 I need you to bribe a journalist for me. He uses that to his
12 advantage there.

13 He does the same -- he does the same -- sorry, to
14 Edgar Veytia. Do you remember the conversation that
15 Luis Cardenas Palomino has with Veytia about, hey, you're on
16 the wrong said? It's when Veytia goes to the bunker, he goes
17 to Mexico City, he doesn't get to go into Garcia Luna's
18 office. Cardenas Palomino takes him to the bunker. He's
19 totally mind-boggled because they have nothing like that in
20 Nayarit, and they take the whole tour, and then Cardenas
21 Palomino pulls him aside in front of some monitors and says,
22 hey you're on the wrong side. You're supposed to be
23 supporting Chapo.

24 So he's good with his image. He's good with his
25 image. He's taken care to meet fancy people, take

1 out new projects.

2 Q And after this first meeting, were there other times that
3 you met with Genaro Garcia Luna or his staff to discuss
4 financing for security projects in Coahuila?

5 A There was a second time we were invited to go to this
6 building where there's high security and high intelligence so
7 that we could take a tour of the building.

8 Q What is that building called?

9 A At the time, they called it the bunker.

10 Q And when did you go to the bunker?

11 A Beginning 2009.

12 Q What was the bunker?

13 A Well, that building housed some of the most advanced
14 intelligence systems that analyzed in real time everything
15 that was going on in every single state; for example,
16 different indexes. And if you needed to identify a person at
17 a state, you could do that in real time. It was a very
18 complex intelligence and security system at the federal level.

19 Q And who gave you a tour of the bunker in 2009 ?

20 A It was given to the governor by Licenciado Genaro
21 Garcia Luna.

22 Q And were you present?

23 A Yes.

24 Q You've talked about some of the technology.

25 Was there any technology to make recordings in the

1 bunker.

2 A We were offered a service with the technology where you
3 could take a cell phone, you would send a text message, and
4 then from there they could access and analyze all of your
5 calls, calls you had made in the past. And also there was
6 this service where you could record said calls.

7 Q What was the name of that technology?

8 A At that time, they called it Pegasus.

9 Q And while you were in the bunker tour, did anyone sample
10 that for you?

11 A Yes. We were asked to provide a cell phone from one of
12 the people who were there from the State so that they could
13 prove and show the service. We gave them the cell phone of
14 one of the people who was there with us. And then on the
15 screen you could visualize and see all of the messages from
16 this person.

17 Q And you said you were offered the technology.

18 Did you and the governor buy that.

19 A No.

20 Q Why not?

21 A Well, we didn't want for the information, the people from
22 the State, to be heard or to be found that might affect us
23 later.

24 THE COURT: Ms. [REDACTED], at a good point.

25 [REDACTED] This is a good time.

1 THE COURT: Okay. Lunch, ladies and gentlemen.
2 Please come back in one hour. That's 10 to 2. Have a good
3 lunch.

4 (Jury exits.)

5 THE COURT: Okay. Recess. One hour.

6 (Recess taken.)

7 (Continued on the next page.)
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 (Afternoon session.)

2 (In open court.)

3 THE COURTROOM DEPUTY: All Rise.

4 THE COURT: Let's call the jury.

5 (Jury enters the courtroom.)

6 THE COURT: Everyone be seated. Welcome back,
7 ladies and gentlemen.

8 Please continue, [REDACTED]

9 [REDACTED] [REDACTED]

10 Q Mr. Villarreal, when we stopped for lunch you were
11 telling us about some technology called Pegasus, which you
12 choose not to buy.

13 A Yes.

14 Q Why were you and the governor worried about purchasing
15 that software?

16 A Well, we thought that if we got that software system
17 then, well, it was one company that managed that in Mexico.
18 And there could be people tapping in and listening in to
19 everybody in the Government. And that company would have all
20 the information, as would any agency that used it.

21 Q What agency specifically were you worried about listening
22 to you?

23 A The secretariate of public security.

24 Q At the end of your tour of the bunker, did you meet
25 directly with Genaro Garcia Luna?

1 A Yes.

2 Q Who was present for that meeting?

3 A Mr. Garcia Luna, Professor Moreira and myself.

4 Q You said Professor Moreira, is that the governor you
5 worked for, Governor Moreira?

6 A Yes, that's correct.

7 Q What did Genaro Garcia Luna say to you in this meeting?

8 A He told Governor Moreira that he needed support, and if
9 he knew anybody who worked at El Universal. Humberto told
10 Humberto Moreira that he was very good friends with the owner
11 of El Universal; and that if he needed anything at all to --

12 MS. [REDACTED]: Your Honor, objection --

13 THE COURT: Overruled.

14 A -- at all to just let him know.

15 He said there were some rumors that were starting to
16 circulate that he had been kidnapped by a cartel and he was
17 being related to certain people, certain people in the cartel
18 in Mexico.

19 Q Who made that statement that they had been kidnapped or
20 rumors of being kidnapped by a cartel?

21 A Mr. Garcia Luna about himself.

22 Q What, if anything, did Garcia Luna ask the governor for?

23 A That if there was any way to get close to, to, to be able
24 to say that -- he knew this wasn't real, and wanted to know if
25 there was any way of approaching El Universal.

1 Q What did the governor say?

2 A No problem at all.

3 Q Did the governor make any efforts to connect Garcia Luna
4 with El Universal?

5 A Yes. Yes, yes, he didn't have any problems doing that.

6 Q What is El Universal?

7 A It is the largest newspaper with the most subscriptions
8 in Mexico.

9 Q Who owns that newspaper?

10 A Mr. Ealy Ortiz.

11 Q Did Ealy Ortiz own that newspaper at the time period of
12 this conversation?

13 A That's right.

14 Q Did you ever meet Mr. Ealy Ortiz?

15 A Yes.

16 Q How did you meet him?

17 A There were several meetings in Mexico City and Saltillo
18 Coahuila.

19 Q What was the relationship between Mr. Ealy Ortiz and the
20 governor?

21 A He was his good buddy.

22 Q I want to show you what is marked for identification as
23 Government Exhibit 434. Do you recognize this?

24 A Yes.

25 Q What is this?

1 Q After the conversation ended, what happened?

2 A The next day the police officers appeared alive.

3 Q After that event, did you continue carrying out your
4 agreement with the Beltran Faction of the Sinaloa Cartel?

5 A Yes.

6 Q Why?

7 A Because at that time the mayor had an agreement and
8 Roberto Sandoval had an agreement with the Beltran Leyvas.

9 Q Under that agreement that you described earlier, the
10 Beltrons were supposed to pay for the gubernatorial campaign
11 of Roberto Sandoval.

12 Did they pay.

13 A Yes.

14 Q And in July of 2011, what happened?

15 THE INTERPRETER: Interpreter clarification.

16 A In July of 2011, Roberto Sandoval Castaneda wins the
17 governorship of the state of Nayarit.

18 Q When did he take office?

19 A In September, September 2011.

20 Q What office did you take at that time?

21 A Assistant Attorney General for the state of Nayarit.

22 Q Did you have any other designations?

23 A Yes. I was executive secretary for public security for
24 the state.

25 Q And what was your responsibility as executive secretary?

1 A I was to manage the federal monies and resources and
2 distribute them for subsemon and for -- interpreter
3 correction -- and being in charge of security for the state of
4 Nayarit.

5 Q What is subsemon?

6 A It is a federal subsidy given to the municipalities for
7 security.

8 Q And as Assistant Attorney General, what were your
9 responsibilities in that role?

10 A It was the operational side, the operational side of the
11 Attorney General's office there in the state of Nayarit.

12 Q Was it a law enforcement position?

13 A Yes.

14 Q After you took office as Assistant Attorney General, what
15 happened?

16 THE INTERPRETER: Interpreter correction --
17 interpreter clarification, rather.

18 A The attorneys for the Sinaloa Cartel who represented
19 Chapo and Mayo came to me, they approached me, it was the
20 attorney Alcalá and Chaparro. And they said that they
21 represented El Chapo. And they wanted to buy the state of
22 Nayarit, they wanted to buy the -- the plaza, they called the
23 plaza, the state.

24 Q How long after you took office did these attorneys for
25 the Sinaloa Cartel come to you?

1 A About a month. A month afterwards.

2 Q Where did you meet with them?

3 A Right there at the Attorney General's office.

4 Q You said that they wanted to buy the state or buy the
5 plaza.

6 What does that mean.

7 A Buying a plaza means that you're going to be working for
8 them, that you're going to do what they ask, you're going to
9 obey them, and any crimes that they commit, you're going to
10 cover them up.

11 Q Did they offer you money for this?

12 A Yes. They offered me \$10 million.

13 Q Did they have the money with them?

14 A No. They only presented the offer. They said that if it
15 was accepted, they would do what was needed to go come
16 through.

17 Q How did you respond?

18 A I heard them out, but I kind of set them to the side
19 because we were not in good terms. And besides that, there
20 was already a commitment with the Beltran-Leyvas.

21 Q After you brushed off Chapo's lawyers, what happened to
22 you?

23 A Approximately in December, mid-December 2011 , there was
24 an attack on one of my safe houses and on my person.

25 Q Can you describe for us what happened?

1 A On that day around 1:00 or 2:00 a.m., we had decided that
2 we were going to sleep and going -- we had determined that we
3 were going to go to sleep in that house, a house in Pedregal.
4 The security detail went ahead so they could turn on the
5 lights and set up the residence. And that's when we realized
6 there was some vehicles heading there, coming in. It was
7 approximately 11 vehicles.

8 And about one to two minutes later, you could start
9 hearing the gun shots and the attack. And there was a
10 confrontation between the people that were already at the
11 house, the security detail, and the vehicles.

12 Q What did you do during this fire fight?

13 A I was on the -- that way and there was an avenue that was
14 going in one way -- a one-way avenue. And then we confirmed
15 that two units that were coming in front of us. I stopped, I
16 opened the door, shots were fired. We shot and received fire
17 as well. The vehicle cut to the left and left. And we went
18 on towards where we could still hear the confrontation.

19 Q You said the vehicle left.

20 What road did it take to leave.

21 A At that intersection, there was an adjacent avenue,
22 everything was dark over there. It was towards the hills.

23 Q What happened next?

24 A We arrived at the house and the vehicles were there,
25 shots were being fired. We had about 35 police officers there

1 that there were trying -- working to repel the criminals.

2 Q Did you repel the criminals?

3 A They left -- yes, they did leave, but they abandoned
4 their vehicles behind them. They left weapons, they left
5 grenades and vehicles behind. They were able to escape. They
6 were able to recover the bodies that were strewn around and
7 leave.

8 Q Did you have any information on who had attacked you?

9 A Yes. We did have a phone that we had found and we had
10 cloned the number. So we had heard some things, we knew that
11 something was going to happen. We didn't know the time, we
12 didn't know the way, we didn't know the place, but we knew
13 something was going to happen.

14 Q You knew something was going to happen, but you didn't
15 know the specifics.

16 Is that because the messages were coded.

17 A Yes. They speak in code or they make references to
18 things, but they're not specific.

19 Q And whose phone was it that you had cloned?

20 A Pelucho's. He was the one who had kidnapped the police
21 officers.

22 Q The morning after the fire fight, what did you do?

23 A At that time we had closed off the entire neighborhood
24 and we were checking house by house. At that time, no one had
25 come to assist us. Only the Army had come.

1 Q You said at that time no one had come to assist you.

2 During the attack, did you send out a call for help.

3 A Yes. The protocol, as the protocol calls for in the
4 security group in Nayarit and like in every state, there's a
5 coordinating group that coordinates security. And then an
6 alert is sent to all the different agencies so they can come
7 assist.

8 Q Remind us, does that group include the federal police?

9 A Yes.

10 Q Did the federal police come to help?

11 A No.

12 Q Did you talk to anyone from the federal police after this
13 attack?

14 A Yes. The coordinator for the state of Nayarit, who at
15 that time was Jorge Anguiano Terriquez.

16 Q What did you speak with Mr. Terriquez about?

17 A I asked him if he had received the call for help. And he
18 said they had not been able to help because they did not have
19 enough personnel in the state of Nayarit .

20 Q Did he say anything else?

21 A No.

22 Q How many federal forces were stationed in the state of
23 Nayarit?

24 A I don't have official data, but extraoficially there are
25 about 120 officers in the state of Nayarit.

1 Q And that was at that time?

2 A Yes.

3 Q Did you encounter Mr. Terriquez again around this time
4 period?

5 A Yes. We had direct contact because we had that
6 coordinating group for all different forces.

7 Q And did any events occur?

8 A Well, what I have is that the governor asked for a
9 meeting after the attack, for a meeting in Mexico City, with
10 Mr. Garcia Luna.

11 Q Did you go to that meeting?

12 A Yes.

13 Q Who else went?

14 A Well, that meeting in Mexico City called by the governor,
15 what we went -- it was the governor; it was the nephew of the
16 governor, Hugo Sanchez Sandoval, who was also an ex-police
17 officer; the secretary of public security, General
18 Campos Huertas and myself.

19 Q And when you were referring to the secretary of public
20 security, General Campos Huertas , is that for the state?

21 A Yes, that's correct.

22 Q So when Governor Sandoval, his nephew, the state security
23 secretary, and you went to Mexico City, where in Mexico City
24 did you go for this meeting?

25 A We went to the general offices of the secretariat for

1 public security, federal.

2 Q What happened when you arrived?

3 A We were accompanied to the office, to Garcia Luna's
4 office. There's a small waiting room there. And we waited
5 there, but the only people who were allowed to go inside was
6 the governor and his nephew, Hugo Sanchez.

7 Q What did you do?

8 A We were offered a tour of what was known as the bunker.
9 It was a center created by the federal police. It was this
10 bunker, which was like a crisis room for security crises.

11 Q Who did you go on this tour of the bunker with?

12 A It was the general, myself, two assistants, and a man who
13 was a commander or a commissioner, I don't remember, but he
14 was Luis Cardenas Palomino.

15 Q Were you the senior person from Nayarit in that group?

16 A Yes, I was, because I was the assistant secretary -- the
17 Assistant Attorney General at that time, so I had the highest
18 rank.

19 Q Can you describe for us, what did this bunker look like?

20 A Well, there was an initial security room where we were
21 checked out. And then some meters further in, there was
22 another room where there was a large table in the middle with
23 about 20 or more chairs around it, if I remember correctly.

24 There were glass windows on the sides. At that time
25 they were darkened. But once we were in, that tinted -- that

1 tint was removed, and so we were able to see many monitors on
2 the walls.

3 Q Go ahead.

4 A Well, they started describing, like, what each monitor
5 contains, saying: This camera, it shows the exit from Mexico
6 City, this is a drone. They started to explain drones to us.

7 Q How long did that tour take?

8 A I don't think it lasted longer than 40 minutes,
9 30-something minutes.

10 Q How did you feel during the tour?

11 MR. [REDACTED]: Objection.

12 THE COURT: Sustained.

13 Q What was your impression from the information they gave
14 you?

15 A That the federation had a great capacity for
16 investigating and for fighting crime.

17 Q Did you have anything like that in Nayarit?

18 A No, not that capacity; no.

19 Q During this tour, did you speak with anyone?

20 A Well, I was talking to some of the consultants. And at a
21 certain point, I stepped further away from the group looking
22 at some monitors. And at that time, Mr. Cardenas Palomino
23 came close to me and he spontaneously said to me that we were
24 doing things wrong in Nayarit, that we were on the wrong side,
25 and that we should be on El Chapo's side.

1 (In open court.)

2 THE COURT: We're going to take our lunch break now.
3 Come back at 1:05. Don't talk about the case.

4 (Jury exits the courtroom.)

5 (Lunch recess.)

6 *****

7 (Afternoon session.)

8 (In open court.)

9 THE COURTROOM DEPUTY: All Rise.

10 (Jury enters the courtroom.)

11 THE COURT: Everyone be seated. Sorry about the
12 late lunch, ladies and gentlemen. Like I say all the time,
13 not like a Broadway play.

14 Okay. Let's continue direct.

15 MS. [REDACTED] Thank you, Judge.

16 BY MS. [REDACTED]:

17 Q Mr. Veytia, generally how large was the federal police
18 force?

19 A The federal police is comprised of several thousand
20 agents.

21 Q How large was your police force at the state level and
22 the municipal level?

23 A We had approximately 800 agents.

24 Q What kinds of vehicles did the federal police use?

25 A They used four-door pickup vehicles. They used armored

1 vehicles known as Rhinos. They used vehicles, charger-type
2 vehicles. Yes.

3 Q Anything else?

4 A They had helicopters. They had attack helicopters.

5 Q Did you have those type of items, armored trucks, attack
6 helicopters, at the state level?

7 A No. Not during the 2012 period, no.

8 Q At the municipal level?

9 A No.

10 Q What kinds of weapons did the federal police have?

11 A They had short guns, 9-millimeter. They had long guns
12 AR-15s. They had access to machine guns.

13 Q Did you have comparable weapons at the state level?

14 A Only half of my force.

15 Q What did the other half have?

16 A Revolvers and shotguns.

17 Q Do the federal police have military-style weapons?

18 A The special group in the federal forces, they did.

19 Q Did you have special group at the state and municipal
20 level that had military-style weapons?

21 A No.

22 Q Were you familiar with the budgets allocated to the
23 federal police forces and the state and municipal state police
24 forces?

25 A Yes, I did have access. As the executive secretary of

1 the special bureau for the state of Nayarit, I did.

2 Q How did federal police force budgets compare to state and
3 local budgets?

4 A Well, compared to the state of Nayarit, it was like 2,000
5 to one.

6 Q Did the federal police work with and receive assistance
7 from U.S. law enforcement agencies?

8 A Yes.

9 Q Were you at the state and municipal levels able to
10 receive help from U.S. law enforcement agencies on a regular
11 basis?

12 A No.

13 Q Why not?

14 A States cannot enter into any kind of agreement with
15 entities from foreign countries.

16 Q Did you ever see the defendant, Genaro Garcia Luna, in
17 the news, meeting with U.S. officials?

18 A Yes.

19 Q What do you remember about that?

20 A I remember when President Obama came to Mexico, there was
21 a meeting. There was a photo taken. And also with the
22 higher-up chiefs of different agencies such as the DEA, CIA, I
23 saw that.

24 Q What impression did you take from that?

25 MR. [REDACTED]: Objection.

1 THE COURT: Sustained.

2 Q How did that impact you?

3 MR. [REDACTED]: Objection.

4 THE COURT: Sustained.

5 Q Did you have the ability to meet with president Obama and
6 the chiefs of the DEA and CIA?

7 A No.

8 Q After you returned from Mexico City from the meeting at
9 the bunker and the meeting between your governor and the
10 defendant, Genaro Garcia Luna, what did and the governor do?

11 A So we had no resources, so we had to create a police
12 force out of nothing. It was called the Nayarit Police. Our
13 helicopter was rented, we got new uniforms, and we got an
14 armored vehicle on credit.

15 Q What did you do with your rented helicopter and your
16 armored vehicle on credit?

17 A Well, we tried to commit -- we tried to convey a sense of
18 security to the citizens of Nayarit.

19 Q You said you created a new police force. Did you
20 actually hire more police officers?

21 A No.

22 Q Where did you get the new police force from?

23 A From the municipal and the state police.

24 Q You just gave them new uniforms?

25 A Yes.

1 having the Yankee, the regional commander in your pocket, is
2 being able to call for help and having them escort you
3 whenever you need. That's the advantage, for example, of
4 putting Vigueras in Sinaloa.

5 Rey told you that's the person he called on when he
6 was helping Chapo escape in 2001. El Chapo escaped from
7 Mexican prison January 19, 2001 when the defendant is in
8 office. He's the head of AFI at the time. Rey says, well, I
9 go help, my brother calls me and says can you help, let's go
10 pick him up, his helicopter is landing. He says okay, I'll go
11 help -- sorry. And he sends the coordinates. Then he escorts
12 Chapo through the capital city despite the complete media
13 storm that is happening, because he has relationships with
14 what is then called FJP and converting into the AFI, the
15 federal judicial police, and the PFP the preventive federal
16 police. He had those relationships. Those two guys escort
17 the car. That's the kind of power the Sinaloa cartel has when
18 they are paying the defendant.

19 It shouldn't be that shocking. Because Edgar Veytia
20 told you basically the same thing happened in 2011 in the
21 standoff with the Suburban with the federal police and the
22 state police. The federal commander said, hey, you got to let
23 this care go. Veytia said, Chapo could be inside. And the
24 federal commander didn't blink, you got to let this car go.

25 What else did they get? One of the things Rey was