

Zambada Niebla - [REDACTED]

4073

1 (In open court.)

2 BY [REDACTED]:

3 Q Based on your conversations with La Keta, what did you  
4 understand the end result of the first meeting at Zacatecas  
5 was?

6 A That they had reached no agreement among the two sides,  
7 but it had remained in the end like there was going to be a  
8 cease fire between them for those days.

9 Q And was there, in fact, a cease fire?

10 A No. It was too short. The problems continued in Juarez.

11 Q Okay. So we are talking about the 2007 time frame. What  
12 was occurring during this time frame with the Beltran Leyva's?

13 A Well, the Beltran Leyva brothers, and, specifically,  
14 Arturo, was very close to Vicente and the Zetas. We got  
15 information in Culiacan -- my dad, my Compadre Chapo, and  
16 myself did -- that they were introducing a lot of people into  
17 Culiacan. They were renting offices and security houses and  
18 they were putting in people from the Zetas, the Carrillo's and  
19 the Beltran Leyva's. They started hiring people in Sinaloa, in  
20 the mountains themselves, Sinaloa. Many people worked for them  
21 because they thought that Arturo, at that time, was on the same  
22 side as my father and my Compadre Chapo, but there came a time  
23 when they told those people that they were going to be fighting  
24 against my dad and my Compadre Chapo, and one of the people  
25 that they had contact -- contracted deserted, and that person

[REDACTED], RPR, CRR  
Official Court Reporter

1 (Continued.)

2 Q Now, did there come a time when members of the Sinaloa  
3 Cartel started fighting against each other?

4 A Yes.

5 Q Approximately when was that?

6 A It was after Mochomo's arrest.

7 Q Who is Mochomo?

8 A Alfredo Beltran Leyva, Arturo's brother.

9 Q Approximately when was it that he was arrested?

10 A I'm not sure of the year, but it was in January. I  
11 don't remember the year.

12 Q How do you remember it being in January?

13 A Because it had just been Alfredo's birthday.

14 Q Was Alfredo's arrest before or after the Manzanillo  
15 seizure of 20 tons that you told us about?

16 A That was after. I believe. The truth is I'm not  
17 certain.

18 Q What happened when Alfredo was arrested?

19 A Arturo realized that there had been a betrayal on the  
20 part of other members of the cartel to get Arturo out of the  
21 way. The truth was interrupted and a very violent war  
22 ensued.

23 Q Who was that war between?

24 A It was, well, the Sinaloa Cartel. There was Chapo,  
25 Mayo, National Corone1 and Azul were fighting against all of

1 the Beltran's, the Zetas, who had lied to them and who also  
2 was on the Beltran side.

3 Q When did that war between those leaders of the Sinaloa  
4 Cartel break out in relation to Alfredo's arrest?

5 A Some months after Alfredo's arrest.

6 Q What was happening in those intervening months?

7 A Well, people from the government starting hitting us  
8 hard like the day of Alfredo's arrest. The Bayardo people  
9 came on us. We had been told they were going to come. Each  
10 time that Arturo spoke to Chapo or Mayo, the army would come  
11 or federal police would come and hit us until Arturo  
12 recognized or was sure that this betrayal was going on and  
13 that's when the war started.

14 Q When the war started, was there violence?

15 A Yes.

16 Q After the war started, did Arturo Beltran speak to the  
17 defendant, Genaro Garcia Luna, about this development?

18 A Yes.

19 Q How did he do that?

20 A On the radio, on the communications radio.

21 Q And were you present for that?

22 A Yes.

23 Q Was anyone else present?

24 A Cardenas Palomino, Roberto, R. I don't remember if  
25 Barbie or someone else was there. Borrado was there as

1 well.

2 Q Was Cardenas Palomino there in person?

3 A Yes.

4 Q What happened during this radio call between Arturo and  
5 the defendant?

6 A Arturo did not like the answer he got from Garcia Luna.

7 Q Did Arturo ask a question?

8 A Yes.

9 Q What did he ask?

10 A Which side he was on. Was he with his cousin Chapo, or  
11 was he on his side.

12 Q What did the defendant say when Arturo asked him what  
13 side he was on?

14 A That that was their problem, that wasn't his problem.  
15 That he was neutral.

16 Q What did it mean to you when the defendant said he was  
17 neutral?

18 A That he was going to continue working for both.

19 Q Sorry, when you say both, just to clarify, what do you  
20 mean?

21 A Both for Chapo, May, Ray and them, and then for Arturo.  
22 That he was going to keep on giving information. Arturo  
23 told him that he would cover the complete payments and not  
24 even then.

25 Q Okay. So when Arturo talked about payments, what

1 exactly did he say to the defendant?

2 A To not worry about the money. That he was going to  
3 cover the full amount of the monthly payments.

4 Q And was that different than the way it had been paid  
5 before the war?

6 A Yes.

7 Q Was -- just to be clear. Would there still be a pool  
8 payment between all of the leaders of the Sinaloa Cartel?

9 A No. Not anymore. Not anymore for that payment that  
10 Arturo would make.

11 Q And what was Arturo's reaction when the defendant said  
12 he was neutral?

13 A Very violent.

14 Q What was Cardenas Palomino's demeanor during this  
15 conversation?

16 A He was scared. He was scared from Arturo's reaction.

17 Q When you say Arturo was violent, what do you mean?

18 A He was very angry. Arturo was not the kind of person  
19 who swore, only -- he only swore when he was very mad.

20 Q Did he swear during or after this call?

21 A After.

22 Q After this call with the defendant, did Arturo Beltran  
23 continue to pay Garcia Luna?

24 A Yes.

25 Q And how did those payments occur?

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their steady supply of precursors (roughly 80 MT in 2006 alone), and Medina Mora predicted that Mexico would no longer be a major source for meth production. Medina Mora also shared his estimate that the justice reform package submitted to Congress last March would be passed in the coming months and could become law by end of year, once the states had approved the Constitutional amendments. [you might add why will this be significant]

3. In a large meeting hosted by Amb. Carlos Rico, Amb. Johnson met with the entire interagency team who had led the negotiations in what became the Merida Initiative. Rico noted that the interagency cooperation this group represented was practically historic in the Mexican government experience, where lateral cooperation was far from the norm. Johnson emphasized the need to work together to define "how we measure success," which was especially important for the U.S. Congress in its deliberations of the support package. In turn, the group asked about Congressional sentiment and the timeline for consideration and (perhaps) eventual approval.

4. Amb. Johnson also met with the technocratic leadership of the Secretariat for Public Security; the political leaders were unavailable due to a cabinet meeting and the immediate demands of the SSP's aggressive police operations. Nevertheless, the group outlined the enormous task SSP faces, changing the very nature of Mexican police through legislative and institutional changes that would reach down throughout all of Mexico's 330,000 police agents. They detailed the many innovations - including Plataforma Mexico and the Unified System for Crime Data - that SSP sought to achieve in the shortest period possible.

5. The visit also provided a rare opportunity to engage with representatives of the Army/Air Force (SEDENA) and the Navy (SEMAR) in a frank discussion of the concerns that had been raised in Congress over the role of the Mexican military in the GOM's struggle against the cartels. Amb. Johnson met with the MI negotiators from the military

[redacted]  
who had participated in the Merida Initiative talks. He discussed with them through the need for openness to allow end-use monitoring, the new mechanisms put in place by SEDENA to address human rights allegations and the supporting role the military was obliged to play to counter the sheer firepower of the cartels. [redacted]  
[redacted]

1.4(B)  
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6. Early during his visit, Amb. Johnson met with prominent think-tankers with research interests in security and law

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[REDACTED]

The analysts presented a consistently pessimistic view. All agreed on the need for profound change. Yet, many felt that the challenges facing the Calderon Administration in its objective to reform the Mexican justice system could exceed what might be achieved. Similar (but perhaps not as ambitious) attempts at reform have been unsuccessful in the past. The group downplayed 2007 law enforcement accomplishments and noted that seizures and arrests to date had not affected the cartels significantly. Members also claimed the Calderon Administration lacks a clear strategy to defeat the illegal drug trade and noted that the chronic lack of cooperation among security elements would continue to hamper efforts

to professionalize law enforcement here. While supportive of the Merida Initiative, the analysts said the sums being discussed are small, compared to what the GOM must put into the effort, and believe the principle merit of the package lies in demonstrating bilateral resolve to jointly confront drug traffickers. Finally, [REDACTED] expressed what he said was widespread frustration among legislators, academics and media with the GOM's lack of transparency with respect to the Merida Initiative.

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7. During a meeting with key human rights advocates, Amb. Johnson had a further opportunity to discuss the political and legal context of the Merida Initiative and GOM counter-narcotics efforts. Mexican participants were:

[REDACTED]

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8. Participants were not as sharply critical of the deficiencies and misbehaviors of GOM security elements as they had been in recent meetings with USG officials, although they remained negative overall in their comments. Rather than focus on a litany of alleged abuses, they urged Amb. Johnson to shape MI support in ways that strengthen the rule of law and overall professionalism of security elements here. However, they cautioned Amb. Johnson that Mexico's antiquated and weak legal framework will present challenges to efforts to modernize the administration of justice, which they believe is far more crucial to the counter-narcotics effort than the aggressive campaign of arrests and seizures mounted so far. While they expressed reservations about some aspects of the current legal



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reform initiative in Mexico's congress, such as strengthened police investigative powers, the human rights advocates recognized that this initiative marks a significant step forward in improving confidence in the legal system in Mexico. They particularly lauded measures designed to move Mexico toward an accusatorial system of justice, but said this would be a long-term effort. Some participants also urged the USG to consider measures on its side of the border to help Mexico battle drug traffickers, such as reducing U.S. demand for narcotics and stemming the flow of illegal weapons from the United States into Mexico. Amb. Johnson cited the significant resources already being put into demand reduction in the United States and took on board comments about curbing illegal arms flows to Mexico.

9. Amb. Johnson's visit to Ciudad Juarez and El Paso allowed him witness first hand some of the advances and problems faced by border communities today. During his visit, he viewed U.S. Border Patrol [redacted] and toured the most congested port of entry in the El Paso/Juarez/Santa Teresa corridor, the Bridge of the Americas, [redacted] He also attended a luncheon in his honor at the University of Texas at El Paso, where he gave an address on the MI, fielded press questions, [redacted]

[redacted] discussed the major advances made with USG assistance in the professionalism of Chihuahua's forensics labs and Chihuahua's recent introduction of its new modernized adversarial judicial system throughout the state [redacted] stressed the importance of continued USG funding (Chihuahua receives support from USAID/AOJ). [redacted] to receive a group of U.S. congressman who have been especially critical of MI support to view the major forensic and judicial improvements made with U.S. funding and technical assistance [redacted] Finally, Amb. Johnson toured and received a private briefing on the operations and potential of the El Paso Intelligence Center (EPIC).

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GARZA

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ACTION WHA-00

RELEASED IN PART B6

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UNCLAS MEXICO 000713

SENSITIVE  
 SIPDIS

E.O. 12958: N/A  
 TAGS: PGOV, PREL, SNAR, KCRM, PINR, MASS, MX  
 SUBJECT: NARCO-KILLINGS UPDATE

REF: A. (A) 07 MEXICO 6228  
 B. (B) 07 MEXICO 6196  
 C. (C) 07 MEXICO 5401

1. (SBU) According to figures from the National Center for Information, Analysis and Planning in order to Fight Crime (CENAPI), there were over 2,400 organized crime-related homicides in 2007, compared to an estimated 2,120 in 2006. The majority of these killings continue to occur in states traditionally associated with narcotics trafficking, such as Sinaloa (385 executions in 2007), Michoacan (319), Guerrero (278), Chihuahua (215), and Baja California (181). It is estimated that approximately 300 of these homicides were law enforcement officials and 27 military officials. The death toll in January 2008, tracked by newspapers, was approximately 201.

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 December/January -- Violence Spikes  
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REVIEW AUTHORITY: Don Holm,  
 Senior Reviewer

2. (U) The end of 2007 and the beginning of 2008 witnessed an unusually high level of armed clashes between narco gunmen

and the government forces -- army and police -- in the central state of Zacatecas (December 29) and, more acutely, in northern Tamaulipas. In the former, seven police officers were injured and two were killed in an ambush staged to rescue three men arrested while transporting a kidnap victim.

The attack was attributed to Los Zetas, the notorious hit team of the Gulf cartel.

3. (U) Immediately following this attack, three separate incidents took place in Tamaulipas.

-- On December 29 the chief of police in Matamoros was killed by unidentified gunmen.

-- On January 7 a group of 13 gunmen engaged a joint force of army troops and paramilitary members of the Federal Preventive Police (PFP) in Rio Bravo: 8 of the latter were injured, while 3 of the attackers were killed and 10 were arrested. Interrogation of the detainees revealed that this outfit was also part of Los Zetas.

-- The next day, January 8, in Reynosa, an unknown number of gunmen, identified as Zetas, opened fire on a unit of the Federal Investigation Agency (AFI) that was pursuing them, killing 2 officers and wounding a third.

4. (U) Mexico's military forces have not come out unscathed. After a further 1500 federal police officers (mainly military troops seconded to the PFP) were deployed in Michoacan, a clash with cartel gunmen on February 6 claimed the life of Army Colonel Fortino Castillo Leon, the second highest ranking causality of the GOM's counter-narcotics campaign. (Note: The army also lost a Colonel on May 1, 2007 in the course of a drug fight in Guerrero.)

#### ----- Drug-Related Violence Spreads to Mexico City -----

5. (U) Through most of 2007, Mexico City had suffered little violence compared to the levels observed in many other parts of the country. However, in December 2007, 4 people working at Mexico City's international airport were killed and decapitated, sparking fears that drug gangs were increasing their activities in Mexico City. The operations director of Jet Service was one of those decapitated, along with one of his staff members. All of the Jet Service personnel involved, including a disappeared member of the staff, checked goods arriving at the airport and had the right to enter cargo holds on aircraft. The fact that the men's heads were cut off along with their fingers suggests that the killers might have been seeking revenge against the victims for not handing over drugs that had been seized by customs (on December 12) or informing authorities where to find the drugs. The fear of narco-violence spreading to Mexico City was further supported on December 19, when the federal Attorney General's office (PGR) announced the arrest of six men with heavy weapons and a grenade launcher in Mexico City. At least 3 of those

arrested were policemen. One was a member of AFI, while 2 others were members of the Mexico City police force.

6. (U) Moreover, in mid-January three men were arrested in Mexico City with shoulder-fired rockets, rifles and a submachine gun. Deputy Attorney General Jose Luis Santiago

Vasconcelos -- a point man in the country's war on drug gangs and the official in charge of extraditing drug bosses to the U.S. -- said that the men arrested were plotting to kill him. He said the suspected hit men may belong to the Sinaloa Cartel, which dominates Mexico's Pacific Coast cocaine smuggling routes.

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Bomb In Mexico City Blamed on Drug Dealers  
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7. (U) A bomb that exploded about 100 meters from the Federal District police headquarters has also contributed to rising concern about drug related violence in Mexico City. Investigators concluded that the bomb was aimed at a senior anti-drug policeman. Local press immediately speculated that the Sinaloa cartel may have had a role in the incident. The Sinaloa gang wants to establish itself in Mexico City but a series of successful raids on drug gangs have set back their efforts. In retaliation, the gang purportedly targeted the deputy head of public security in the Mexico City government for assassination.

8. (SBU) However, Mexico City's chief prosecutor Rodolfo Felix Cardenas, concluded that the attack was probably the work of drug dealers, not the cartels. The devices were homemade, and the initial investigation was drawing attention to an area of the capital known for drug dealing. Embassy security analysts agree with this hypothesis and note that the details released by police and security camera footage of the bungled operation suggest the bomber was a common criminal/drug-dealer and not one of the cartels' many professional hitmen. Nevertheless, security experts say the use of explosives sets a worrying precedent. The bomber, who was killed when the bomb he was carrying exploded, was Juan Manuel Meza, known as "El Pipen." He was identified by his brother who said that he had not seen him for six years.

9.(SBU) Prior to the incident, Attorney General Eduardo Medina Mora had already maintained that drug trafficking cartels were operating in Mexico City. Joel Ortega, Mexico City Secretary of Public Security, has also asserted that cartel members were living in residential areas of the city, blending in with the wealthy population that travels in luxury vehicles with security guards. On February 29, security expert Jorge Chabat told poloffs that there were definite indications of a cartel presence, which was not surprising given the large domestic market. Both embassy security analysts and Chabat also noted that three of

Mexico's most wanted fugitives were arrested in Mexico City between August and September 2007: Juan Carlos de la Cruz Reyna, Sandra Avila Beltran, and Juan Diego Espinoza.

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GOM Response  
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10. (U) Since our last report (refel), federal officials have made a number of high-profile arrests and seizures. The capture of Alfredo Beltran Leyva -- a top ranking leader in the Sinaloa Cartel and brother of Arturo Beltran Leyva (the right-hand man of the cartel's leader "El Chapo" Guzman) -- by Mexican army special forces on January 21 represents the most important arrest since Calderon took office in December 2006. The following day, utilizing forensic analysis of communications equipment seized at the time of Beltran's arrest, officers from the PFP's Special Anti-Narcotics Unit arrested another 11 alleged hitmen working for the Sinaloa Cartel in Mexico City. The gangsters were arrested in two raids on houses located in two upscale neighborhoods in southern Mexico City. The gangsters had dozens of high-power firearms and ammunition, including grenade launchers, machine guns, and around 40 bullet-proof vests. Officers also found a laboratory that was used to manufacture synthetic drugs. Federal officials confirmed that those arrested are members of the organization controlled by Arturo Beltran Leyva.

11. (U) The GOM's success with the Sinaloa Cartel has been matched by operations targeting the country's two other major drug gangs, the Gulf Cartel and the Arellano Felix organization (aka "Tijuana Cartel"). From January 2007 to January 22, 2008 the GOM claims to have arrested over 50 members of the Gulf Cartel. Separately, on January 17 in Tijuana, four senior figures of the Tijuana Cartel were captured and a "killers' training school" was discovered

complete with an underground shooting range and an arsenal of weapons.

12. (U) Other noteworthy blows against the narcocartels since our last report (refel) include the following:

-- On December 12, Mexican Army elements detained one of the top leaders of the Gulf Cartel along with three of his subordinates in an operation in the state of Tamaulipas. Marco Antonio Ramirez, aka "Tony la Palma" reportedly ran large-scale operations in the states of San Luis Potosi, Tamaulipas, Queretero, Hidalgo and Mexico.

-- On January 12, 30 presumed Gulf Cartel enforcers ("Zetas") were arrested by federal law enforcement authorities in Coahuila and Campeche. Authorities seized drugs, high powered weapons, communications equipment and cars. The Zetas captured in these operations have been flown to Mexico City, where they are being held in high security PGR

facilities.

-- On January 26 Hector Izar Castro "El Teto" was arrested. Izar was a former director of the municipal police in Rio Verde, San Luis Potosi, who switched sides to become a leader of the Zetas.

-- On February 7, in the Tamaulipas border town of Miguel Aleman, the Mexican military seized nearly ten tons of marijuana, 89 assault rifles, more than 83,000 rounds of ammunition, and a variety of other weapons. Also seized in the operation were a number of trucks, camouflage uniforms, and weapons training gear. Five men were arrested in connection with the seizure and have been taken to Mexico City to be charged. The PGR says this is the most important weapons seizure in Mexico in 20 years.

13. (U) On January 31, Attorney General Medina Mora reported that since the beginning of the Calderon Administration, Mexico's security forces had arrested 20,996 people suspected of involvement in drug trafficking. Of these, he said more than 15,000 had been bound over for trial in the federal courts, suggesting that law enforcement authorities are developing sufficient evidence for prosecution in the great majority of cases.

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GDF's Contribution  
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14. (SBU) Mexico City's government (GDF) is also making an effort to disrupt links to organized crime within the local police. In 2007, an average of 8 local policemen a month were jailed for committing serious crimes with the charges ranging from murder to armed robbery, grievous bodily harm, kidnapping, extortion, helping prisoners escape, blackmail, and sexual abuse. In 2006, only 5 policemen were sent to jail. The GDF's Deputy Secretary of Government, Juan Jose Garcia Ochoa believes efforts to clean up the police is one reason why the mayor of Mexico City, Marcelo Ebrard, enjoys relatively high approval ratings (up to 54 percent).

15. (U) The GDF can also lay claim to several successful seizures and arrests. On February 13, local police arrested 7 alleged criminals of the Sinaloa Cartel and transported them to a local Public Security Secretariat facility. According to police, the two vehicles carrying the criminals were initially stopped because they were being driven strangely, with strobe lights shining inside them. Police found sophisticated weapons inside their vehicles, including special bullets known as "cop killers," grenades, semiautomatic rifles, and bullet proof vests.

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GOM's Counter-Narcotics Operations Press-On  
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16.(U) Meanwhile, the GOM continues to send federal forces into various states. On February 26, SEDENA officials announced that 1,800 additional military personnel would be sent to Tamaulipas at the end of February. The troops will augment the more than 3,000 troops already operating there combating organized crime as part of Operation Nuevo Leon-Tamaulipas.

17. (U) In March, the GOM plans to launch "Operacion

Limpieza." Under this measure, federal authorities and the Mexican Army will inspect all privately owned aircraft entering into Mexican airspace from Central and South America. All such aircraft should land at 1 of 3 airports (Chetumal and Cozumel in Quintana Roo State and Tapachula, Chiapas State). A similar measure is planned for maritime vessels with the Mexican Navy playing a major role.

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Are the Cartels Hurting?  
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18. (U) On February 22, local newspaper El Universal reported that representatives of Mexico's drug cartels approached senior military officials to negotiate an end to the hunt for their leaders and the attacks against them. In exchange, the cartels promised a reduction in criminal violence. The military reportedly rejected the proposal asserting it only emboldens them in redoubling their efforts to combat organized crime.

19. (SBU) Jorge Chabat told poloffs that Calderon's CN strategy had recently shifted towards attacking the revenue flows of the cartels, focusing more on seizures and less on arresting cartel leaders (or "capos"). He compared this strategy to that of the Fox Administration, which targeted capos. He noted that Fox's strategy did not work and we only saw the emergence of new capos in their place. He is optimistic that Calderon's strategy of attacking both capos and the economy of the cartels will definitely have a significant effect.

20.(SBU) Embassy security analysts continue to believe that the GOM's CN operations are impacting the cartels operations, noting the number of seizures and arrests that have taken place. As a potential unintended consequence of the GOM's CN ops, there is increasing evidence the cartels are looking to cooperate more in the form of some kind of division of labor, with different groups specializing either in transportation, production, and distribution -- akin to what we have seen in Colombia. This scenario would present new challenges to the GOM. Chabat believed this was possible but was cautiously optimistic, maintaining the cartels would be easier to control and less violent under this scenario.

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 CN Ops Draw Criticism  
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21.(U) On January 23 President Calderon signed a decree, the Programa Sectorial de Defensa Nacional 2007-2012, which envisages keeping the army -- currently deployed in 10 states -- out on the streets for the remainder of his administration. The same day the decree was signed, the head of the National Human Rights Commission (CNDH) Jose Luis Soberanes, called upon Mexico's Congress to publish a timetable for the withdrawal of troops from the country's streets.

22. (SBU) PRI Senate leader Manlio Fabio Beltrones endorsed Soberanes' proposal January 25 and suggested that the Senate set a deadline of 18 months for the withdrawal of military troops. Beltrones said the army needed to be replaced by a special police force trained to deal with organized crime. Beltrones recognized that the army had performed functions beyond the current capacity of Mexico's police force but considered it unacceptable for the army to assume this role indefinitely. [REDACTED]

[REDACTED] echoed similar concerns to emboffs on February 22. [REDACTED] said the longer the military was involved, the greater risk they ran of "contamination" by the cartels. As the military's role deepened, so too did the prospects of its members becoming compromised as either informants or converts to organized criminal organizations.

23. (SBU) Many leftist political leaders have also been critical. On February 22, [REDACTED] opined to a visiting congressional staffer and emboffs that the GOM's CN operations were just a "show" by Calderon to boost his popularity ratings. He maintained the GOM was exhausting all of its good intel leads in its rush to produce quick results. He argued that Calderon needs to develop a long-term intelligence strategy. He predicted Calderon's popularity will start to wane when it no longer can deliver

victories in the drug war. On February 28, [REDACTED] expressed similar concerns to poloffs. He believes Calderon's plan to use the military throughout his term is "too long" and described the CN ops as a "militarization of the country." His solution, however, for dealing with the problem was to legalize drugs.

24. (U) Intermittent claims of abuses by security forces also undermine the integrity of the government's efforts. The National Commission for Human Rights (CNDH) has launched two new investigations against into military operations that took place this year. On January 11, Victor Alberto de Paz Ortega, 17 years old, was allegedly driving in a truck with his friend when soldiers shot and killed him in Huetamo.

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SEDENA claimed the youth tried to run over the soldiers and the soldiers responded by shooting. The second investigation is related to an incident that occurred in February when Sergio Meza Varela was allegedly shot and killed by soldiers as he attempted to avoid a military checkpoint.

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Comment  
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25. (SBU) Although narco-killings continue, an ongoing string of high-profile arrests and seizures suggests President Calderon's resolve has not wavered in taking this fight to the cartels. In the meantime, the GOM won adoption of judicial reform legislation that will give the security forces new tools to fight organized crime. It is also pushing forward on a package of public security reforms that would modify the entire police structure across the country to emphasizing internal affairs and other ways to professionalize the police. Ultimately, Calderon's objective is to train and empower the police to assume their rightful lead on all CN operations (septel).

26. (SBU) Calderon's efforts to combat organized crime have also bought him public support. On March 3 local newspaper Milenio reported on Calderon's approval rating at the start of 2008. According to the poll, 64% of Mexicans believe Calderon is doing a good job. At the same time, challenges remain. In the same poll, only 42% of those interviewed say that they have noticed improvements in the level of drug consumption and distribution due to Calderon's fight against organized crime. There is also evidence that some drug-induced violence is moving from the Southwest border to the heart of Mexico. Recent arrests/seizures in Mexico City, the reported assassination plot against PGR Deputy Attorney General Santiago Vasconcelos, and the February 15th bombing near Mexico City Public Security offices support this hypothesis.

Visit Mexico City's Classified Web Site at  
<http://www.state.sgov.gov/p/wha/mexicocity> and the North American Partnership Blog at <http://www.intelink.gov/communities/state/nap/>  
GARZA

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1 THE COURT: If you're more than happy, let's keep  
2 going. It's kind of early.

3 MS. [REDACTED] Yes, your Honor.

4 Q During the war, did Arturo Beltran ever take any action  
5 with respect to the defendant, Garcia Luna?

6 A Yes.

7 Q What happened?

8 A He kidnapped him.

9 Q When was that?

10 A I don't remember the year.

11 Q Was it before or after Arturo had Edgar Millan killed?

12 A I believe it was after.

13 Q And how did you learn about this?

14 A Both Arturo and Borrado told me about it.

15 Q What did they tell you about kidnapping the defendant?

16 A That they had kidnapped him on a road on the way to, a  
17 Morelos road on the way to Cocoyoc. And that they took him  
18 to see Arturo at an office.

19 Q And what, if anything else, did you learn?

20 A Of what Arturo had told Garcia Luna.

21 Q What was that?

22 A That there was nothing impossible for Arturo.

23 Q And what, if anything, led up to this kidnapping of the  
24 defendant?

25 A That he didn't want to answer calls anymore. When he

1 called him through Cardenas Palomino and the operations were  
2 constant against the Beltrans and they were minimal against  
3 Chapo and Mayo.

4 Q What was the result of this meeting between Arturo and  
5 the defendant?

6 A He let him go.

7 Q Arturo let the defendant go?

8 A Well, they took him back to the place where they had  
9 picked him up from and according to what Borrado told me,  
10 right.

11 Q Did the defendant continue to pay Arturo after this?

12 A Yes.

13 Q After this happened, were you ever in the safe house  
14 that you had described?

15 A Yes.

16 Q And what was the condition of that safe house?

17 A Well, Arturo and them, they were eating, possibly  
18 Borrado was there, Roberto, possibly Barbie. And in the  
19 corner from where we were all, like, talking, there were  
20 lots of, like, clips thrown in there.

21 Q What's a clip?

22 A It's the magazines for the short guns and the long  
23 weapons.

24 Q Did you learn where those came from?

25 A Yes.

Zambada - direct - [REDACTED]

911

1 BY [REDACTED]: (Continuing.)

2 Q Mr. Zambada, did you have an understanding of how your  
3 brother knew about the murder of Rodolfo Carillo?

4 A Well, from what he said to me, he knew what was going to  
5 happen or what was happening. He told me that a few days  
6 prior he had held a meeting or had a meeting occur between  
7 Chapo and Rodolfo to fix things and that Rodolfo when he left,  
8 Chapo gave him his hand and he said, well, see you later  
9 friend, and Rodolfo just left him standing there with his hand  
10 extended. And he said to me, my Compa Chapo got really upset  
11 and he said, well, that Chapo said he was going to kill him,  
12 that he have to decide which side he was going to be on with  
13 the Carillos because he couldn't take Rodolfo anymore and he  
14 said to me, I answered him that I was with him. Rodolfo is  
15 dead and I am with him, he said.

16 And I said well, what are we going to do? I am also  
17 with him and with you. We have to take better care of  
18 ourselves than normally and now I am leaving -- I don't want  
19 to stay here. I took a plane and I returned back to Mexico  
20 City.

21 Q Now, taking a step back, when your brother Mayo was  
22 telling you about the meeting between Rodolfo and the  
23 defendant and the defendant said, I am going to kill Rodolfo  
24 and said you have to take sides, who was the defendant  
25 speaking to based on your understanding?

Zambada - direct - [REDACTED]

912

1 A Well, that the relationship with Vicente Carillo was  
2 going to get totally lost, right? That's what he made them  
3 understand, is what my brother said. And he said, I'm with  
4 you. And he said, my godson Vicente Carillo spoke with me and  
5 I told him I'm with my Campa Chapo.

6 Q Could you please use names when you're referring --

7 A He said to me, Vicente Carillo.

8 Q Who said to you?

9 A My brother Mayo said to me, Vicente Carillo already spoke  
10 to me and I already told him that I am with my Campa Chapo.

11 Q Now what happened to the relationship between the  
12 defendant, Mayo and the Carillo-Fuentes after the defendant  
13 had Rodolfo killed?

14 A It broke -- they became enemies.

15 Q And what happened -- what did the Carillo-Fuentes do  
16 once they became enemies of the defendant and your brother  
17 Mayo?

18 A Well, there started being an internal war there in  
19 Culiacan between the Carillo-Fuentes and my brother and El  
20 Chapo. And at the end of that year they killed Arturo,  
21 Chapo's brother, at the prison.

22 Q Now, in 2004 after Vicente Carillo broke away from the  
23 Sinaloa Cartel, who were the Sinaloa Cartel's principal  
24 leaders?

25 A Joaquin Guzman Loera and Ismael Zambada Garcia, Mayo.

DAMASO LOPEZ NUNEZ - DIRECT - [REDACTED]

1 Q What did you hear the secretary report to the defendant  
2 about the events that occurred that day?

3 A Well, he reported that he was leaving the movie theater  
4 because Rodolfo and his wife were at the movies, and he  
5 reported that once they had him on-site, they had shot at  
6 Rodolfo. And then Rodolfo's head of security also reacted  
7 again to my compadre's gunmen as well.

8 Q Who was the -- Rodolfo's head of security that day?

9 A Pedro Perez.

10 Q And what was Pedro Perez's role, other than providing  
11 security to Rodolfo Carrillo?

12 MR. [REDACTED]: Objection.

13 THE COURT: Sustained.

14 Q Do you know who Pedro Perez is?

15 A Yes.

16 Q How do you know?

17 A I met him because he worked with the judicial police.

18 Q Okay. You mentioned that Rodolfo's wife was there. What  
19 did you hear the secretary report to the defendant about  
20 Rodolfo's wife?

21 A That unfortunately, she had also been wounded.

22 Q Okay. And what did you hear the secretary report to the  
23 defendant about Rodolfo?

24 A That he had fallen.

25 Q What does that mean?

DAMASO LOPEZ NUNEZ - DIRECT - [REDACTED]

1 A That it seemed he had died.

2 Q Okay. What did the secretary report to the defendant  
3 about which gunmen were at the location?

4 A The gunmen detected that the Government was already in  
5 the move of going to the place of the events, and that's why  
6 they decided to flee.

7 Q And what was reported to the secretary about their flight  
8 from the location?

9 MR. [REDACTED]: Objection.

10 THE COURT: Reported to the secretary by defendant,  
11 correct?

12 MS. [REDACTED]: Correct. What was reported from the  
13 secretary to the defendant about the gunmen's flight.

14 THE COURT: Ask the question again.

15 MS. [REDACTED]: I'm sorry?

16 THE COURT: Ask the question one more time.

17 MS. [REDACTED] Okay. Would you like me to rephrase  
18 it or just repeat it?

19 THE COURT: I heard two different questions the  
20 first and second time.

21 MS. [REDACTED] Okay.

22 THE COURT: Could be me, could be you, but if you  
23 start fresh, it will be neither of them.

24 MS. [REDACTED]: Understood, Your Honor.

25 Q What did the secretary report to the defendant about the

DAMASO LOPEZ NUNEZ - DIRECT - [REDACTED]

1 gunmen's flight from the location?

2 A That they were being persecuted by some people that  
3 belonged to the Government, and the Government people who were  
4 actually on the side of Chapo Isidro, they actually noticed  
5 that there were more reinforcements that was coming closer to  
6 them in such a way that then there came a time when the people  
7 from the judicial police outnumbered the gunmen. And there  
8 was a shootout between them in the rural area. And the gunmen  
9 felt that they were at a disadvantage because there were a lot  
10 of people from the Government who were riding, and so they  
11 told my compadre's secretary and the secretary told my  
12 compadre who said, You know, look for Mayo so that Mayo could  
13 do them the favor of speaking to the director of the judicial  
14 police, and so that also they would do the favor of returning  
15 those officers.

16 Q Okay. And what did you hear the secretary report to the  
17 defendant about what happened next with the federal police  
18 officers?

19 A In fact after that, the judicial police personnel left  
20 the location.

21 Q Okay.

22 [REDACTED] Your Honor, I don't know about your  
23 timing, but this might be a good time for a break.

24 THE COURT: This is a good time.

25 Please don't talk about the case, ladies and



1 A Oh, with time, later -- later, the relationship with  
2 Arturo broke with him. It broke after I was kidnapped, and he  
3 wanted me to take part of the decision to fight with his  
4 cousin.

5 Q When were you kidnapped?

6 A I was kidnapped in 2008.

7 Q Was this after the meeting with Garcia Luna about  
8 Manzanillo?

9 A Yes, yes, that's right.

10 Q Tell the jury about your kidnapping from start to finish.

11 A Well, the relationship had already started with Arturo to  
12 break down between Arturo and -- and Chapo started also with  
13 the Zetas, too, with familia in Chihuahua. They were also  
14 separating from the Gulf Cartel, and they were joining up with  
15 Arturo Beltran, the people from Chihuahua, yeah. They sent us  
16 Carrillo's people. They were starting to form a coalition.  
17 The same time that Arturo and Chapo's relationship began to  
18 break, they also -- the agreement that we had broke down and  
19 the truce broke down. They were separating and making their  
20 own group. And Arturo was looking to see who was going to be  
21 with him and who was going to be against him. And if you  
22 weren't with him, you were going to be against him. And I  
23 didn't want to get involved in that war because we had a peace  
24 agreement. I didn't want to get involved with that fighting  
25 between family members who had been best friends and friends,

1 and it was going to get really ugly, and I didn't want to pick  
2 a side.

3 And through a meeting that we had in Michoacana, the  
4 family, and Nacho Coronell and Rey, they realized that the  
5 Gulf Cartel separated; the familia in Michoacana and the Gulf  
6 Cartel were together, and Chapo and the Sinaloa Cartel had  
7 joined forces.

8 And Arturo said -- Arturo said that he wanted to see  
9 me, and I spoke with Indio and Barbie, who were people who I  
10 trusted very much. And I asked them to join me to that  
11 meeting --

12 THE INTERPRETER: Interpreter correction.

13 A I asked them to join me at that meeting with Arturo, and  
14 they said: Oh, of course, yeah. We'll go, we'll go. We'll  
15 all go together, and we'll be waiting for you in the capital  
16 city to go meet Arturo.

17 THE INTERPRETER: Interpreter needs to clarify. May  
18 I?

19 THE COURT: Sure.

20 A When I got to the capital, they sent to pick me up over  
21 there in Interlomas, and from there they took me to an office  
22 of theirs like we would always do. And when we got there,  
23 there were armed people there and they took away our phones  
24 and they -- they handcuffed us and they blindfolded us. And  
25 from there they took us to another house. And I had with me

1 another buddy of mine, Bronco who was a federal agent. They  
2 took us to one of their safes houses and then Indio and Barbie  
3 showed up, and they told me that if I didn't want to fight,  
4 well, they did want to fight.

5 And they said that I had given \$50 million, and get  
6 out of the country; that they didn't want to see me there. If  
7 not, they would fight me.

8 Q Was Arturo present at the location where you were being  
9 detained?

10 A No, but he was in communication with them. He was -- he  
11 was giving orders and telling them that they had to hold me  
12 there.

13 Q Did you speak to Arturo directly during your kidnapping?

14 A Yes.

15 Q What did Arturo say to you?

16 A After Arturo saw that I was going to be on his side and  
17 after they had, you know, demanded that I pay the money to  
18 help him out in the fight against La Familia Michoacana, that  
19 I was going to be with him.

20 Q How long were you how long were you held for?

21 A Yeah, I was there about a week.

22 Q And did you ultimately pay Arturo any money?

23 A Yes, yes, they took money from me.

24 Q How much money did you pay?

25 A They took 5 million from me there.

1 Q How did you arrange this payment?

2 A I saw they let the person who was with me go to go talk  
3 to people there in Guadalajara, the people from our group; my  
4 brother, Pilo, Cuinis, used to talk about the situation and  
5 where I was. And they put together the money and they sent it  
6 directly to the capital through my buddy Pilo.

7 Q And what happened after Pilo paid the \$5 million?

8 A When they received the money, I saw that I was going to  
9 provide them support and I was going to send people to  
10 Michoacana. They also sent somebody with me because they  
11 wanted to get people in Jalisco because they were going to  
12 fight with and Nacho Cornell too.

13 Q Were you released after you paid the \$5 million?

14 A Yes, I was afraid, and I went back with another person  
15 that they put to go with me, and that person ended up working  
16 with me.

17 Q Where did you go after you were released?

18 A No, I mean, I went straight to Guadalajara to the people  
19 there in Guadalajara.

20 Q What was your relationship like with Arturo Beltran after  
21 he kidnapped you?

22 A After that, the relationship ended with Arturo Beltran  
23 and all of his people, and I told him: No, no, we didn't have  
24 to do that. We were friends. You could just talk to me. I  
25 would have just gone without -- you know, without having need

1 to do that.

2 Q Did you take a side in the Sinaloa Cartel Civil War after  
3 your kidnapping?

4 A Yes, but at that point, I stuck to Azul, Chapo, Mayo, and  
5 Rey and my -- I stayed with them and also with the Familia  
6 Michoacana who were now together with us, too.

7 Q After your kidnapping, did you meet Garcia Luna again in  
8 person?

9 A Yes. That was the second time I got together with Garcia  
10 Luna.

11 Q Can you describe the second meeting that you had with  
12 Genaro Garcia Luna?

13 A After my kidnapping, Azul and Nacho would tell me that we  
14 should be prepared because Arturo was going to hit us with  
15 everything he had. And they said, you know, we had to make  
16 sure to keep control over Jalisco. We needed better  
17 arrangements.

18 And it's the same thing that all of the people in my  
19 organization were saying -- Pilo, Cuinis, Mencho -- everyone  
20 was saying we have to have it better. So that was when my  
21 buddy and the people in Guadalajara communicated or contacted  
22 Luis Cardenas Palomino to see if we could also have an  
23 approach Genaro Garcia Luna as well. So that was -- that  
24 happened, and we were able to get together with him later on.

25 Q Were there any -- what was the purpose of your seeking a

1 meeting with Garcia Luna?

2 A Well, most of all, there were going to be investigations  
3 and operations against us, and we wanted to put a break -- try  
4 to put a break on them. And they were also going to help  
5 us -- that we wanted them to help us go against what was  
6 coming down on us.

7 Q What do you mean there were going to be operations and  
8 investigations against you?

9 A Because when there is a war, they send people, but they  
10 also give information to Government and Government people also  
11 come against us. They start to raid our offices, our  
12 properties.

13 Q Were there any preconditions for the meeting with Garcia  
14 Luna?

15 A Yes. That in order to have the meeting, we had to send  
16 \$500,000 in order to be able to see him.

17 Q And did you send the \$500,000?

18 A Yes. \$500,000 were given through Luis Cardenas Palomino.

19 Q Where did the meeting that you ultimately had with Garcia  
20 Luna take place?

21 A The meeting took place in Guadalajara in a business  
22 belonging to my buddy, Pilo.

23 Q What type of business was it?

24 A It was a car wash.

25 [REDACTED]: I want to show the witness what's been

1 marked for identification as Government's Exhibit 409.

2 Q Do you recognize the location in this photo?

3 A Yes, yes, I do recognize it. It's my buddy Pilo's place  
4 where we got together.

5 Q Is this a location where you met the defendant, Genaro  
6 Garcia Luna?

7 A Yes, yes, that's correct.

8 MS. [REDACTED]: At this time, I move to admit  
9 Government's Exhibit 409 and publish.

10 MR. [REDACTED]: No objection.

11 THE COURT: Received.

12 (Government's Exhibit 409 received in evidence.)

13 (Exhibit published.)

14 Q What are we looking at in this photo here?

15 A A car wash.

16 Q Where were you when the meeting took place?

17 A In the top part. That's where the offices are located.

18 Q Who was with you when you meeting took place?

19 A Bronco was there; my buddy, Pilo; Filipinis, Cuate, and  
20 my brother was there too.

21 Q Did you see Genaro Garcia Luna arrive?

22 A I saw him when he entered the office.

23 Q Who did -- who was with Garcia Luna when he entered the  
24 office?

25 A Luis Cardenas Palomino was.

1 Q How were they dressed?

2 A They were both dressed in suits as well.

3 Q What happened during the meeting with Cardenas Palomino  
4 and Genaro Garcia Luna?

5 A Well, they introduced -- well, Luis Cardenas Palomino  
6 introduced himself, and I greeted Genaro Garcia Luna. We  
7 started talking. They knew what had happened to me, the  
8 kidnapping, and that Arturo had made a poor decision by  
9 getting together with the Zetas and the other group, and that  
10 they were not in agreement with the decision that Arturo had  
11 made.

12 MR. [REDACTED] Objection as to "they."

13 THE COURT: Who is "they"?

14 THE WITNESS: Genaro Garcia Luna and Luis Cardenas  
15 Palomino.

16 (Continued on the following page.)

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DAMASO LOPEZ NUNEZ - DIRECT - [REDACTED]

1 Q Okay. Was there a specific date that you recall?

2 A Yes, April 30th.

3 Q And is there a holiday on April 30th of 2008?

4 A That's the reason precisely why I remember it, because  
5 that day we celebrate children in Mexico.

6 Q And where were you on April 30 of 2008?

7 A In Culiacan.

8 Q And at that time, how were you communicating with other  
9 members of the cartels?

10 A On the radio and over the phone.

11 Q And what happened on April 30th?

12 A On April 30th there was a shootout between the federal  
13 police and the Beltran's gunmen. My compadre was trying for  
14 it -- for there not to be any shootouts or confrontations  
15 between him gunmen and the Beltran's gunmen. He preferred for  
16 the Government to be the one that did the work. So they would  
17 receive the locations where the gunmen for the Beltrons were  
18 located, this was given to the federal police with which there  
19 was a relationship already.

20 Q So you said there was a shootout on April 30th?

21 A Yes.

22 Q What happened next --

23 THE COURT: Excuse me. I am starting to get  
24 Mr. [REDACTED] point. Is there anything new that this witness  
25 brings to what we have heard?

[REDACTED], RPR - Official Court Reporter

1 Q Is it fair to say this was a very violent time?

2 A Yes.

3 Q Let's talk about Millan. Is that Edgar Millan?

4 A Yes.

5 Q Who is that?

6 A He was a commissioner for the federal police at that  
7 time.

8 Q How did you learn that he was killed?

9 A Arturo told me about it.

10 Q What did you learn?

11 A The way that he had been killed and how they had been  
12 able to obtain the keys to his home and go in and  
13 everything.

14 Q Tell us what you learned about how he was killed and  
15 the other details.

16 A Yes. The federal police under Millan started  
17 conducting many operations to hit the Beltran Leyva cartel  
18 and that's when Arturo decided, well, to kill Millan. They  
19 had people, you know, both groups, they knew each other. We  
20 used to be, you know, friends altogether before. Borrado  
21 was able to get the keys to Millan's house. He gave them to  
22 a gunman who went into the house and was in there before  
23 Millan arrived. He killed him and he left.

24 MS. [REDACTED]: Your Honor, this might be a good time  
25 for a break or I'm happy to keep going.

1 THE COURT: If you're more than happy, let's keep  
2 going. It's kind of early.

3 MS. [REDACTED]: Yes, your Honor.

4 Q During the war, did Arturo Beltran ever take any action  
5 with respect to the defendant, Garcia Luna?

6 A Yes.

7 Q What happened?

8 A He kidnapped him.

9 Q When was that?

10 A I don't remember the year.

11 Q Was it before or after Arturo had Edgar Millan killed?

12 A I believe it was after.

13 Q And how did you learn about this?

14 A Both Arturo and Borrado told me about it.

15 Q What did they tell you about kidnapping the defendant?

16 A That they had kidnapped him on a road on the way to, a  
17 Morelos road on the way to Cocoyoc. And that they took him  
18 to see Arturo at an office.

19 Q And what, if anything else, did you learn?

20 A Of what Arturo had told Garcia Luna.

21 Q What was that?

22 A That there was nothing impossible for Arturo.

23 Q And what, if anything, led up to this kidnapping of the  
24 defendant?

25 A That he didn't want to answer calls anymore. When he

1 called him through Cardenas Palomino and the operations were  
2 constant against the Beltrans and they were minimal against  
3 Chapo and Mayo.

4 Q What was the result of this meeting between Arturo and  
5 the defendant?

6 A He let him go.

7 Q Arturo let the defendant go?

8 A Well, they took him back to the place where they had  
9 picked him up from and according to what Borrado told me,  
10 right.

11 Q Did the defendant continue to pay Arturo after this?

12 A Yes.

13 Q After this happened, were you ever in the safe house  
14 that you had described?

15 A Yes.

16 Q And what was the condition of that safe house?

17 A Well, Arturo and them, they were eating, possibly  
18 Borrado was there, Roberto, possibly Barbie. And in the  
19 corner from where we were all, like, talking, there were  
20 lots of, like, clips thrown in there.

21 Q What's a clip?

22 A It's the magazines for the short guns and the long  
23 weapons.

24 Q Did you learn where those came from?

25 A Yes.

1 THE COURT: What's the relevance?

2 MS. [REDACTED]: Corroboration, Your Honor. May I  
3 have a sidebar?

4 THE COURT: Not necessary.

5 MS. [REDACTED]: Okay.

6 THE COURT: You might need it on redirect but you  
7 don't need it now.

8 MS. [REDACTED]: Yes, Your Honor.

9 Q Let me turn your attention to the day of October 19,  
10 2008. Were you working that day?

11 A No.

12 Q What were you doing?

13 A Starting on the 18th of October, I was off duty.

14 Q Did you go anywhere?

15 A Yes.

16 Q Where did you go?

17 A I was in Cuatula Morelos.

18 Q What did you do the next day?

19 A I spent the night on the 18th, and the next day, I headed  
20 towards Cuernavaca.

21 Q What road did you take?

22 A Leaving Cuatula, I took the highway 115-D, the toll road,  
23 heading to the section where it turns on to the Tepoztlan.

24 Q What did you do at Tepoztlan?

25 A I didn't stay there. I was on my way to eating some

1   tacos in Santa Catarina and I kept going all the way through  
2   in Cuernavaca, and I continued on the toll-free road to  
3   Cuernavaca.

4   Q    When you were driving on the toll-free road to Cuernavaca  
5   of Tepoztlan, did you see anything?

6   A    Yes.

7   Q    What did you see?

8   A    Before I got to the intersection right where you go all  
9   the way down to a hotel, I think the name is Galaicia, I saw  
10  several SUVs stranded. They were on my left-hand side,  
11  meaning on the opposite direction compared to where I was  
12  heading to, and that is why I slowed down.

13  Q    Did you see any individuals near those vehicles?

14  A    Yes.

15  Q    Who did you see?

16  A    I saw Mr. Genaro Garcia Luna, Arturo Beltran Leyva, and  
17  Edgar Valdez Villarreal, La Barbie.

18  Q    What did they appear to be doing?

19  A    I thought that they were talking.

20  Q    Did anyone have any arms?

21  A    Yes.

22  Q    Who?

23  A    I only saw one of them, Barbie, with a long weapon.

24  Q    Was there anyone else present with the defendant,  
25  Genaro Garcia Luna, Arturo Beltran Leyva, and La Barbie?

1 A I only observed the three faces, but there were more  
2 people however, not next to them. They were behind the  
3 vehicles.

4 Q What did you do after you saw these individuals?

5 A Like I said, I had slowed down in my little car so I  
6 could really see what was happening, and once I confirmed who  
7 was there, I kept going, and then in my rear-view mirror, I  
8 saw one of the vehicles turn around, so I sped up.

9 Q What happened next?

10 A So, I continued speeding and looking through my rear-view  
11 mirror and I saw the vehicle kept coming, so I continued going  
12 until I stopped in the section of Los Limoneros.

13 Q When you stopped, did you get out of the car?

14 A Yes.

15 Q Where did you go?

16 A I opened the hood to the engine of my car.

17 Q Were you standing in front of your car with the hood up?

18 A Yes.

19 Q From that viewpoint, what did you see?

20 A So, then I saw the two vehicles, one of them, the vehicle  
21 that I thought was actually following me, and then they  
22 stopped right opposite to where I was, on the other side of  
23 the lane as if they were going onto AFI any that pa say  
24 Los Limoneros right in that section.

25 Q Did you see who was in the vehicles?

1 A Yes, and in fact, they also saw me because they stopped.

2 Q Who did you see in the vehicles?

3 A In the first vehicle, I couldn't see who the driver was,  
4 but the copilot seat, it was Mr. Arturo Beltran Leyva. And  
5 immediately behind him, behind the copilot's seat, you had  
6 La Barbie, that was Valdez Villarreal, and in the other  
7 vehicle, the driver was Mr. Genaro Garcia Luna.

8 [REDACTED]: If I could show the witness only,  
9 please Government Exhibit 741.

10 Q Is this a fair and accurate map of the area from  
11 Tepoztlan on the east to Cuernavaca on the west?

12 A Yeah, from east to west, I can't find right here, but,  
13 yeah, Santa Catarina is right here. Right here, there's a  
14 \*restaurant, it's called Costenita, I think it's still there.  
15 And at the intersection going on the road from west to east --  
16 from east to west, as you described it, from there, you go  
17 down to the hotel, Galaicia, and that's where I observed the  
18 three people I already mentioned.

19 [REDACTED]: I'm going to kindly approach,  
20 Your Honor, and provide a paper copy of the map.

21 THE COURT: Yes.

22 Q And I'm also going to hand you what's been marked as  
23 Government Exhibits 709 726, and 727.

24 (Continued on the following page.)

25



1 DIRECT EXAMINATION (Continuing)

2 BY MS. [REDACTED]:

3 Q First, Mr. Zavaleta, just generally, are 741, 726, 727  
4 maps of the areas that we've been discussing?

5 A The first one, yes. That was 741.

6 And 726 and 727 are from the time when I had already  
7 stopped and I had seen the vehicles going in and that's when  
8 the people in the vehicles also saw me.

9 MS. [REDACTED]: The Government's 741, 726 and 727  
10 into evidence.

11 MR. [REDACTED] No objection.

12 THE COURT: Received.

13 (Government's Exhibits 741, 726 and 727 received in  
14 evidence.)

15 MS. [REDACTED] If we can please put 741 on the  
16 screen for the jury. If we can please clear the screen, Your  
17 Honor. Thank you.

18 Q Zooming in on the right side, do you see Tepoztlán?

19 A Yes.

20 Q That's where you turned on to this road and went west  
21 towards Cuernavaca; right?

22 A Yes.

23 Q And there's a blue circle near La Costeñita Parrilladas.  
24 Do you see that?

25 A Yes.

1 Q Is that approximately the area where you saw defendant  
2 with Arturo Beltran Leyva and La Barbie?

3 A Yes, that's the approximate location.

4 [REDACTED] If we could go to the west on the  
5 map.

6 Q You testified that you kept driving and stopped your car  
7 at a certain point.

8 [REDACTED] If you could go west further to  
9 the circle marked two.

10 Q Is that approximately the area where you stopped your car  
11 and popped the hood?

12 A If you're referring to these other documents as number  
13 726 and 727, and they are related, yes.

14 [REDACTED] Let's turn to 726. If we can zoom  
15 in in the area indicated by the blue arrow.

16 Q Can you please describe for the jury what the blue arrow  
17 is pointing to?

18 A Yes. That's the Avenida Paseo de los Naranjos in the  
19 section of Los Naranjos. There is a security checking post  
20 right there, a private one, and that's the intersection  
21 exactly where you decide whether to go to Cuernavaca or  
22 Tepoztlán.

23 Q Is that approximately where you stopped your car and  
24 popped the hood?

25 A Right in front of that intersection, in front.

1 Q When you were standing there, what did you see the  
2 defendant, Genaro Garcia Luna, Arturo Beltran Leyva and La  
3 Barbie do?

4 A Well, they were staring at me and I got freaked out, so I  
5 got back in my car and I headed out.

6 Q What did they do?

7 [REDACTED] Objection. We've been through this  
8 already.

9 THE COURT: Overruled.

10 A Before I left, they moved on. I was, you know, I was  
11 shaking, but they went into Avenida Paseo de los Naranjos.

12 [REDACTED] If we can turn Government Exhibit  
13 727.

14 Q Could you describe for the jury what we are looking at in  
15 this map?

16 A Yes, it's the same intersection with the exception that I  
17 was parked where there's the truck that is facing the opposite  
18 way in an orange color pointing towards Cuernavaca.

19 Q And is that the subdivision where you saw the defendant  
20 Genaro Garcia Luna, Arturo Beltran Leyva and La Barbie turn  
21 into?

22 A Yes. They turned left, towards their left on Paseo de  
23 los Naranjos.

24 Q When you saw those individuals, what kind of cars were  
25 they?

1 A I don't remember the colors, but they were Suburbans.

2 Q After this incident, did you speak with anyone else about  
3 what you saw?

4 A Yes.

5 Q Who?

6 A With a colleague of mine at work. His name was Oscar  
7 Granados Salero.

8 Q Did you report what you saw to any authorities?

9 A Yes.

10 Q Who?

11 A To the Union Congress.

12 Q Who in the Union Congress?

13 A Directly to attorney Layda Sansores San Román.

14 Q Approximately when did you report this incident?

15 A Approximately on November 7, 2008.

16 Q Did you submit anything to Ms. Sansores?

17 A Yes.

18 Q What did you submit?

19 A I submitted one document that I had prepared for the  
20 Congress, the Union Congress detailing the weapons, both short  
21 and long guns with the serial numbers and whose name they were  
22 under, as well as a second document, a different document that  
23 I wrote in her own computer.

24 Q The letter that you submitted, that you had prepared, did  
25 you put your own personal -- I'm sorry. Let me rephrase.

1 With respect to the letter that you submitted and  
2 prepared for Ms. Sansores, did you submit that letter in your  
3 own name?

4 A Not my own name.

5 Q Whose name was it?

6 A It was under my colleague's name, Oscar Granados Salero.

7 Q Did you put any of your own personal information in that  
8 letter?

9 A Completely. I had my personal residence, my home  
10 telephone, and my cell phone number.

11 Q Were there any changes that you made to the letter with  
12 respect to your identity before submitting it to?

13 A No.

14 Q In the letter, did you identify yourself as having  
15 personally witnessed the event?

16 A I did not include it in the letter, but I did explain it  
17 to Layda Sansores.

18 Q Why did you submit a letter under someone else's name?

19 A Because my colleague and I decided that we want -- we  
20 would run the same risks, so I used his name and my personal  
21 information, including my address, my phone number, and my  
22 cell phone number.

23 Q Do you still have a digital copy of the letter that you  
24 submitted that day?

25 A Yes.

1 Q And before testifying in court today, did you provide  
2 that digital copy to an investigator named Enrique Santos?

3 A Yes.

4 Q In your meeting with Ms. Sansores, did Ms. Sansores ask  
5 you to do anything?

6 A Yes.

7 Q What did she ask you to do?

8 A First, she suggested that I submit this anonymously.  
9 Secondly, she asked for my authorization to call a person from  
10 Proceso magazine to publish this.

11 Q Did you give your authorization?

12 A Yes.

13 Q And did you ultimately provide a copy of the letter to  
14 Proceso Magazine?

15 A To the journalist who came to me. This was the first  
16 letter which was directed to the Union Congress.

17 Q Were there subsequently attempts to remove you from the  
18 police force?

19 A Not through exams.

20 Q How then?

21 A I was accused of being involved in several organized  
22 crimes, organized crimes, drug trafficking, releasing inmates,  
23 about six crimes, all of them serious.

24 Q Were you arrested?

25 A Yes.

1 Q Were you detained?

2 A I was detained by my superiors. I was sent to what was  
3 at that time called Sierro. I was held for eight at this days  
4 and I was presented to a criminal point in point Grande  
5 Jalisco.

6 Q Where were you held?

7 A It was at Contel, the federal police.

8 Q What ultimately happened to the charges against you?

9 A I was completely and fully absolved.

10 Q Did you resign from the federal police?

11 A On November at the end of last year, up to November 10th  
12 of last year.

13 Q Señor Zavaleta, why, in your letter, did you make the  
14 letter anonymous and not say that you had personally witnessed  
15 the event?

16 MR. [REDACTED] Objection. Asked and answered.

17 THE COURT: I agree.

18 Q For approximately how long did you serve as a federal  
19 police officer in the Mexican police?

20 A Almost 30 years.

21 MS. [REDACTED] No further questions, Your Honor.

22 THE COURT: All right. Ladies and gentlemen, we  
23 will break a little early today. We have another long weekend  
24 in front of us, so please remember the admonitions.

25 There will be some publicity out there on the

1 A He came from the federal police with about 30 years of  
2 experience.

3 Q What was his prior position in the federal police?

4 A He was the commander of the Nayarit detachment.

5 Q Is that also known as the Yankee for Nayarit?

6 A That's right.

7 Q Did you observe Commander Violante interacting with other  
8 federal police officers?

9 A Constantly.

10 Q Can you explain that further?

11 A Well, from different ranks. The officers would come from  
12 commanders to the subordinates. They would come by and say  
13 hello. They would ask him for work or they would just pay  
14 their tribute, as he was the new secretary of public security.

15 Q To be clear, Commander Violante was the secretary of  
16 public security for the city of Tepic, correct?

17 A Yes, that's correct. He was named secretary of public  
18 security for the municipality of Tepic.

19 Q Did there come a time that you received direction from  
20 Commander Violante about providing protection to certain drug  
21 cartels?

22 A Yes.

23 Q Approximately when was that?

24 A Around October, the end of October of 2008.

25 Q What were the circumstances?



1 A The circumstances were the following: He called me into  
2 the office, which was right about the time right after the new  
3 personnel came in and took over. He called me to his office  
4 and we were there talking, and he gave me instructions. He  
5 told me that he just gotten back from the national security  
6 conference, which was for all of the secretaries of public  
7 security, and he had received -- and he was there with his  
8 colleagues, and he received instructions --

9 MR. [REDACTED]: Objection.

10 THE COURT: 801?

11 MR. [REDACTED]: Yes.

12 THE COURT: Overruled.

13 A From Mr. Genaro Garcia Luna that we had to take El  
14 Chapo's side.

15 Q What did you understand that to mean?

16 A The instruction was that we were not to intervene within  
17 the fighting between the Beltran faction and the Chapo's  
18 faction. We were not to intervene, we were not to bother  
19 them, and we were not to arrest them.

20 Q Did you carry out those instructions?

21 A Yes.

22 Q How?

23 THE INTERPRETER: Interpreter needs to clarify, if I  
24 may?

25 THE COURT: Please.

1 A The shift commanders were told that they were not to  
2 intervene to -- much less -- much less arrest them, and not  
3 report on the people that were fighting.

4 Q To be clear, when you say "them," who are you referring  
5 to?

6 A The Sinaloa cartel, the Chapo -- the faction that was  
7 made up of Chapo, Mayo, and Macho Prieto.

8 Q What was the level of violence in Nayarit at this time?

9 A It was the second most violent city in Mexico.

10 Q Did Commander Violante make any comments to you about the  
11 violence?

12 A No.

13 Q Did Commander Violante stay in office?

14 A No. He resigned about the end of 2008, the beginning of  
15 2009.

16 Q Did you have an understanding of why he resigned?

17 A Publicly it was for health reasons.

18 Q And privately?

19 A He had the pressure from making the decision between the  
20 Beltrans and the Chapos.

21 Q After Commander Violante resigned, who remained in their  
22 positions in your office?

23 A A director of police stayed, and I stayed as director of  
24 transit.

25 Q What do you remember happening next?

1 A No. Only -- well, about three minutes before or about  
2 five minutes before that my nephew, Vincente, called me and he  
3 said, uncle, be very careful because apparently Arturo is  
4 hungry for you and he wants to kill you.

5 Q What happened next?

6 A Well, they raided, they came to the house, the office  
7 where I was and they came shooting. They really were there to  
8 kill me.

9 Q Who came?

10 A Well, the people from the Federal Secretariat of Public  
11 Security, was the SIEDO people.

12 Q Was it Arturo's group in SIEDO?

13 A Exactly.

14 Q Were there individuals from the Sinaloa Cartel affiliated  
15 with Arturo who were also there?

16 A Well, I think that among them, Grande was there. Another  
17 one they call Chunta, I think I saw him.

18 Q Can you describe what happened during the raid?

19 A Well, they came and they came shooting, so I told the  
20 people who were with me not to respond back, because  
21 otherwise, I wouldn't really have an opportunity to survive,  
22 and what I did was that I called the local police, the people  
23 with the secretariat for public security in Mexico City  
24 because they were my friends.

25 Q What happened next?

1 A And well, I had under my control, the commander for  
2 Mexico City, and he came to rescue me, and, in fact, I think  
3 he's the reason why I'm still alive.

4 Q During the raid, did anyone try to use a car?

5 A Yes. The commander with the police, Guillermo, he tried  
6 to escape in an armored vehicle, but he didn't manage to do  
7 that, because they shot at him so many times that the engine  
8 exploded. It was really a huge thing.

9 Q Where did you go during the raid?

10 A Well, I jumped over a fence, by the way, a very high  
11 fence, and I safeguarded myself in a building. I went all the  
12 way up to the roof, and I was there right between the water  
13 tanks.

14 Q What happened next?

15 A And, well, the commander with the police called me. He  
16 said, I'm already here, raise your hands, because if you don't  
17 raise your hands, they are going to kill you. I did raise my  
18 hands, and well, before that, I had already called Commander  
19 Bayardo with the police, but he couldn't do anything for me.  
20 The police commander was the one who rescued me.

21 Q The local police commander?

22 A Yes.

23 Q Did anyone from SIEDO try to approach you?

24 A Yes. He tried to take me from their hands. He asked me,  
25 hey, are you Mayo's brother, and I said, yes, I am Mayo's

1 brother. He said, well come with me, I'm with the police.  
2 I'm going to help you. And the one with the local police said  
3 no, don't go with him, stay with me, I'm going to help you.  
4 He pulled out a camera, and I don't know, I mean, you know,  
5 the other one was telling him, don't do anything, don't do  
6 anything, and I think he might have taken a picture of us.

7 Q I'm going to show you what's been marked as Government  
8 Exhibit 437, as not yet in evidence.

9 [REDACTED] If I could have that for the  
10 witness only, please.

11 Q Do you recognize this photograph?

12 A Yes, of course.

13 Q This is from shortly after your arrest?

14 A Yes. That's right. It was taken when I was already at  
15 the police department with the PGR, the SIEDO.

16 [REDACTED] The Government moves 437 into  
17 evidence.

18 [REDACTED]: No objection.

19 THE COURT: Received.

20 (Government Exhibit 437, was received in evidence.)

21 (Exhibit published.)

22 Q In this photo, you appear to have a bandage on your right  
23 foot.

24 Can you explain what happened?

25 [REDACTED]: Objection. Relevance.

1 A Well, people would talk about this person. Have you seen  
2 this person? Is everything ready? Things like that.

3 Q Did there come a time when a war occurred between the  
4 Beltran Leyva and the Chapo-Mayo factions of the Sinaloa  
5 Cartel?

6 A Yes, that was when -- well, they made sort of a truce  
7 with the Zetas.

8 Q Sorry to interrupt. Who's "they"?

9 A Well, in other words, it was the entire Sinaloa Cartel.  
10 A lot of meetings were held with the Zetas and they came to a  
11 truce and decided that each one was going to respect the  
12 other's territory.

13 And then Chapo, Chapo Guzman several times did not  
14 honor the word that he had -- that he had given. That was  
15 when Arturo complained to Chapo, you -- saying, you know,  
16 things had been agreed upon, it should be respected, we were  
17 all men, we should try to get along.

18 Q And a war broke -- sorry, go ahead. I didn't mean to  
19 interrupt you.

20 A And Chapo didn't like the fact that Arturo had chided him  
21 about this, and that's when the problems started.

22 Q Did you align yourself with Arturo Beltran or with Chapo  
23 and Mayo?

24 A I stayed with Arturo Beltran.

25 Q Did you continue to broker shipments of cocaine from

1 Colombia to Mexico during this war?

2 A Yes, always.

3 Q Was there more violence during the war?

4 A Yes, that's when the violence started. You know, it was  
5 Chapo and Mayo and the Zetas and Arturo. So it was the Zetas  
6 and Arturo against Chapo, Mayo and Nacho Coronel.

7 Q During the war, was there a time that you were almost  
8 arrested in the neighborhood of Desierto de los Leones?

9 A Yes, that was the day I threw a party. It was the  
10 birthday of my girlfriend's.

11 Q And can you describe this house?

12 A Well, it was a very beautiful house. And as I said  
13 before, it was a house I had custom built to the way I liked  
14 it, and I came up with some of my own things. And actually,  
15 afterwards, the press started calling it the fantasy house  
16 whenever they would report about it.

17 (Continued on next page.)

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1 BY MR. [REDACTED] (Continuing.)

2 Q Who attempted to arrest you?

3 A That time, it was the federal police.

4 Q Had the party already started when the federal police  
5 came?

6 A Yes, the party had already started. It was around one in  
7 the morning and everybody was happy.

8 THE INTERPRETER: Counsel, can the interpreter just  
9 correct the name of the house? It was the Fantasy Mansion.

10 Q How were you able to evade arrest?

11 A One of the ladies there, one of the people that took care  
12 of the house, came up to me and she said, sir, there are a lot  
13 of police at the door and they're saying open up. And, so, at  
14 that time, I said don't open up, and I took off running over  
15 to where the white tigers were. And then when I got down to  
16 where the white tigers were, I started running. I took off  
17 running to -- well, because that area is very mountainous and  
18 there's a lot of vegetation, so I took out off running to find  
19 a way to escape.

20 Q Did anyone escape arrest with you?

21 A Yes. Once people, you know, people who saw me take off  
22 running, they started running after me. It was my cousin  
23 Cesar Garnica, Alejandro, a friend of mine Alejandro, and  
24 Martin.

25 Q You mentioned that you ran past some tigers. Were there



1 some other zoo-type animals there as well?

2 A Yes, I had tigers, panthers, lions, cockatoos, some  
3 spectacular cockatoos that were on their way to be extinct, I  
4 had a mini chimpanzee and I had a --

5 Q Did you have any domestic animals with you at the house?

6 A Yes, I had one -- one -- one English bulldog whose name  
7 was Bufon, and I had a Persian cat who just was spectacular.  
8 It was white, had blue eyes and a stubby nose. The cat's name  
9 was Perico, which means cocaine in English.

10 Q Sorry, what was the cat's name?

11 A Perico.

12 Q And what does that mean?

13 A It means coke in English.

14 Q I understand.

15 A In Spanish it's Perico, in English -- the hit that you,  
16 you know, you take that's a Perico, that's what we call it.

17 Q What color was this cat?

18 A White, white. It was as white as cocaine.

19 Q How much was the cat worth? Was the cat expensive?

20 A That cat was a Persian cat, 100 percent purebred and at  
21 that time, and we're talking years ago, that cat cost about  
22 \$4,000.00.

23 MR. [REDACTED] Your Honor, at this time, with the  
24 consent of the defense, I would like to introduce into  
25 evidence Government Exhibit 436. It's a short video with no

1 sound and I ask it to be published to the jury.

2 THE COURT: That is received.

3 (Government's Exhibit 436 received in evidence.)

4 THE COURT: Let's just make sure we can get on the  
5 right inputs. Looks good.

6 (Exhibit published.)

7 [REDACTED] And if it's okay with the Court's  
8 Deputy, I ask if we can dim the lights to make it a little bit  
9 easier.

10 For the record, I would like to play just from a  
11 minute to 1:30 to start, but I ask that we wait to play it  
12 until the lights are dimmed. Thank you so much.

13 So one minute to 1:30. Thank you. Sorry, starting  
14 at zero -- I apologize, that was my mistake, 0:00 to 1:30.  
15 Thank you. I apologize.

16 Q What are we looking at here as we watch this video?

17 A That's my house.

18 Q The one we were just --

19 A My panthers. It was my house.

20 Q Is this the one we were just talking about where the raid  
21 occurred?

22 A That's the -- yeah, that's the -- where they had the  
23 operation against me and Rey -- Rey is the one that hurt me.  
24 That was Lucas. That's the door that the federal agents  
25 couldn't open that day. That is the housekeeper's house --

1 the guards --

2 THE INTERPRETER: Interpreter correction, that's the  
3 guard house of the person who took care of the house.

4 A Those are the gardens, that's Apollo.

5 [REDACTED] Now, can we fast forward --

6 A That's the wood that I had etched and that's the pool  
7 that I had every piece by piece, I made kind of a reef in it.  
8 That house has spectacular views, you could see all of  
9 Mexico City from the master bedroom.

10 [REDACTED] Can we skip forward from the two-minute  
11 mark and play forward to the 2:50 mark.

12 A There's a -- there's the pool there, the jacuzzi, that  
13 gazebo that I had made in Hindu style, there's the door there.  
14 All that is -- all that was made by hand, all that there at  
15 the house.

16 [REDACTED] We can stop it now.

17 A And that's a disco pool that I made that I called  
18 The Grado. You would get in there with your underwear and I  
19 made stalactite, and on the roof there was a glass window  
20 where you could see the white tigers above.

21 Q Were any of your workers arrested in this raid?

22 A During that raid, my father, cousins, and workers were  
23 arrested.

24 Q Did you attempt to make any payments to try to get any of  
25 your workers released?

1 A Yes, that operation was run by Victor Garay and Ballardo.  
2 And they told the guys that if they paid them 500,000 dollars,  
3 that there was an agreement for them to be released.

4 THE INTERPRETER: Interpreter needs to clarify,  
5 Your Honor, if I may.

6 A And there was a condition that that money had to be put  
7 into the trunk of a car and be left on a street in the  
8 neighborhood, Bosque De Las Lomas in Mexico City.

9 Q Who was the money supposed to go to?

10 THE INTERPRETER: Interpreter again needs to  
11 clarify, Your Honor.

12 A Yeah, that money, those people Victor Garay and Ballardo,  
13 they had my workers La Gorda and Gaviota pick up that money  
14 and they took it.

15 Q What was your understanding of who Victor Garay and  
16 Ballardo were?

17 A Those were the people that were -- that were running that  
18 operation and that money was stolen and they -- in addition to  
19 that, they stole almost everything out of the house.

20 Q So were your workers released after you made that  
21 payment?

22 A No.

23 Q Where did you go after you escaped arrest?

24 A Well, when I escaped, I started calling Arturo -- well, I  
25 was crossing all over these mountains that were in this area,

1 and I called Arturo and I told him that the federal agents had  
2 come down on me, that there was this operation, that I didn't  
3 know what was happening, and Arturo said, no, that's that son  
4 of a bitch Rey, that bastard is the one that's putting the  
5 feds on us everywhere.

6 Q And who is Rey?

7 A Rey Zambada, Mayo's brother.

8 Q So you believed he was responsible for causing the police  
9 to raid your home?

10 A 100 percent.

11 Q After your house was raided by the federal police, did  
12 you and Arturo Beltran conduct any retaliation?

13 A Yes, after Arturo has other police officers come pick me  
14 up, I think they were with the judicial police, they took me  
15 to a safe house.

16 [REDACTED]: Judge, can we have a quick sidebar?

17 THE COURT: Yeah. Why don't we take our afternoon  
18 break, ladies and gentlemen. Please come back at 3:35. Don't  
19 talk about the case. See you in a few minutes.

20 THE COURTROOM DEPUTY: All rise.

21 (Jury exits the courtroom.)

22 THE COURT: Let's have the witness out, please.

23 (The witness steps down.)

24 THE COURT: Everyone be seated.

25 [REDACTED]

1 [REDACTED] Sorry, Judge, it looked like one of the  
2 jurors was trying to get your attention.

3 THE COURT: To go to the bathroom?

4 MR. MIEDEL: I think so.

5 THE COURT: Thank you for doing that. We'll be back  
6 in 15 minutes.

7 (A recess was taken.)

8 THE COURT: We're just lining up the jury.

9 (Jury enters the courtroom.)

10 THE COURT: Everyone be seated. You can continue,

11 [REDACTED]

12 [REDACTED]: Thank you, Your Honor.

13 BY [REDACTED]:

14 Q Before the break, we were talking about retaliation  
15 because of the raid on your house; do you remember that?

16 A Yes, sir.

17 Q Who did you and Arturo Beltran retaliate against?

18 A Well, at the time, we retaliated first against Rey,  
19 Mayo Zambada, Arturo also said, you know, that God damn  
20 federal police, you know, we've given them a lot of money and  
21 for them to do these fucking things to us, it's just not  
22 right. Didn't think that was right.

23 Q How did you retaliate against Rey Zambada?

24 A Well, we started conducting surveillance against him and  
25 then Arturo and his people. And I'll tell you, again, I was

1 responsible for producing money which came from bringing in as  
2 much cocaine as possible for Arturo. So then Arturo and his  
3 people started trying to find a way to get to Rey to pay him  
4 back, as we say give him his just dess, and then exactly eight  
5 or ten days later, an operation was carried out against Rey  
6 and we were able -- well, they were able to capture him.

7 Q And who is they?

8 A So it was Arturo's people with other police officers, but  
9 not -- like I said, I don't know what other police group it  
10 was, but it wasn't the federal police.

11 Q Are you aware of who from Arturo's people was at the  
12 Rey Zambada retaliation?

13 A Well, a lot of his body guards, a good number of Arturo's  
14 body guards, there was one though who I would talk to a lot,  
15 who I would see a lot and that was Grande, he was responsible  
16 for it.

17 Q Did you pay any money in furtherance of this raid?

18 A Yes. After Rey was arrested and was in the hands of the  
19 authorities, Arturo call me on a radio telephone and he asked  
20 me to please send him urgently \$300,000.00 to be able to send  
21 money quickly to the press so that the media would start  
22 reporting on this so that he, Rey Zambada would not be able to  
23 make any arrangements either using money or relying on the  
24 relationships he had at the time.

25 Q Why would paying the press help in that?

1 A Well, at that point, it -- it was all over the place.  
2 Everybody in Mexico knew about it and I guess the DEA had also  
3 found out that he had been arrested so that meant he couldn't  
4 be released or he couldn't make any arrangements.

5 Q Have you ever met the defendant, Genaro Garcia Luna?

6 A Never.

7 Q Did there come a time when you had a conversation with  
8 Arturo Beltran Leyva about him?

9 A Yes.

10 Q Where was this conversation?

11 A I had that conversation in Cuernavaca, Morelos. I  
12 arrived at one of Arturo's houses. Arturo was -- he was  
13 angry, he wasn't acting as he normally did when I would  
14 usually see him. And then the topic came up that  
15 Mr. Garcia Luna was going to be grabbed.

16 Q I want to back up for a second. Do you recall the  
17 precise day this occurred?

18 A No, the date, I -- I don't know that clearly.

19 Q When you went to Arturo Beltran's house that day, did you  
20 go with anyone else?

21 A Yes, I went with Martin. He was one of the guys who had  
22 escaped with me from the house at Bosque De Las Lomas.

23 Q Was this meeting or conversation after that raid that we  
24 just talked about?

25 A Yes.



1 police. And who worked directly for Mayo and Ray.

2 Q And after the war started within the Sinaloa Cartel,  
3 did Bayardo take a side, based on your understanding?

4 A Yes.

5 Q Which side was that?

6 A Mayo and Rays. Zambada.

7 MS. [REDACTED] I want to now go back to what's in  
8 evidence on the screen as Government Exhibit 13.

9 (Exhibit published to the jury.)

10 Q Can you remind us who is this?

11 A Ray Zambada.

12 Q And what, generally, during the years that the cartel  
13 was aligned, what role did he have in the cartel?

14 A Well, he was the person in charge of the Mexico City  
15 Airport and of all of the shipments that belonged to him,  
16 his brother, Mayo Zambada, and Chapo that was in Mexico  
17 City.

18 Q During this period of the war between the Beltran Leyva  
19 and Mayo and Chapo, what, if anything, happened with Ray?

20 A Well, during the war he took sides. His side; Mayo and  
21 Chapos.

22 Q And did your side with Arturo Beltran ever take any  
23 efforts against Ray?

24 A Yes.

25 Q What did you do?

1 A Arturo's first plan was to kill him. And I told him  
2 not to do that because if he did that, then they would kill  
3 Alfredo Beltran in jail. So Arturo ordered for him to be  
4 arrested by the government.

5 Q And was he ultimately arrested?

6 A Yes.

7 Q Were you involved in that?

8 A Yes.

9 Q Tell us about that.

10 A I had people infiltrate his organization. And so they  
11 were giving us the location of where Ray and all his people  
12 were at in Mexico City. There were two attempts to capture  
13 him. The first one, we had given the information to the  
14 army and the army sold that information to Ray. And on the  
15 second attempt, Arturo told me to handle it with the people  
16 from SIEDO. So we hit him when he was meeting with his  
17 entire organization in Mexico City. He was captured and he  
18 was then surrendered to the real SIEDO agents.

19 Q To be clear. When you say you hit him, what do you  
20 mean?

21 A That I was part of the operation to capture him.

22 Q You made a reference to real SIEDO agents. Was there  
23 anyone dressed at SIEDO agents during this operation to  
24 capture him?

25 A Yes.

1 Q Who was that?

2 A Well, among those people there was me, and also hit men  
3 for the Beltran Leyva.

4 Q And after the fake SIEDO agents arrested or captured  
5 Ray, did you turn him over to the real SIEDO?

6 A Yes.

7 Q What is SIEDO?

8 A It is the attorneys office that's specialized in  
9 investigating organized crime.

10 Q And is it part of the federal police?

11 A Yes. Of AFI. Part of AFI.

12 Q And during this operation to capture Ray, was there any  
13 violence?

14 A Yes.

15 Q What happened?

16 A Well, we exchanged shots and Ray wanted to leave, but  
17 we had placed some armored SUV's right by the gates. He was  
18 in an armored vehicle and he was trying to exit, leave, but  
19 he couldn't. He crashed on one of our armored vehicles. We  
20 kept shooting. Ray was asking Bayardo for support and he  
21 never made it. The municipal Mexico City police arrived.  
22 And Ray and all of the other members were detained. Those  
23 of us who were not officers, we left.

24 Q And you said earlier that SIEDO was involved in this.  
25 What happened when the municipal police took Ray in custody?

1 A There were only four SIEDO people and the municipal  
2 police, there were a lot of them. I ordered the SIEDO  
3 people to take a picture of the arrested people before  
4 loading them onto the vehicles for the municipal police.  
5 Because it was possible that they would try to swap them.  
6 Up until that moment, nobody knew who was Ray. Until the  
7 SIEDO agents let their superiors know and some of the  
8 directors of the SIEDO police they went there and the  
9 municipal police surrendered Ray and everyone from the  
10 organization to the SIEDO.

11 Q When you say you were concerned about someone being  
12 swapped, what are you referring to?

13 A That in Mexico, everything is possible. Corruption is  
14 huge and an arrested person can be exchanged during  
15 transport.

16 Q Were you concerned that would happen with Ray Zambada?

17 A Yes.

18 Q Is that why you took efforts to make sure there was a  
19 picture taken of the arrest?

20 A Yes.

21 Q By the way, did you ever speak with Ray Zambada again  
22 after he was arrested?

23 A No.

24 Q And after the war began, were you ever in contact with  
25 the Sinaloa leaders aligned with Chapo and Mayo?

ACTION WHA-00

INFO LOG-00 EEB-00 AID-00 ACQ-00 INL-00 DODE-00 VCI-00  
DIAS-00 TEDE-00 INR-00 IO-00 L-00 ARMY-00 MOFM-00  
MOF-00 VCIE-00 NSAE-00 ISN-00 OIC-00 OIG-00 OMB-00  
PA-00 PM-00 PRS-00 P-00 ISNE-00 SP-00 SS-00  
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DEPT OF JUSTICE WASHINGTON DC  
DEPT OF HOMELAND SECURITY  
NATIONAL SECURITY COUNCIL WASHINGTON DC  
HQ USNORTHCOM  
CIA WASHINGTON DC  
CDR USSOUTHCOM MIAMI FL  
DEPT OF TREASURY WASHINGTON DC  
NSC WASHINGTON DC

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S E C R E T MEXICO 000193

NOFORN  
SIPDIS

E.O. 12958: DNG: CO 01/22/2019  
TAGS: PREL, PGOV, PHUM, PINR, SNAR, KCRM, MX  
SUBJECT: THE BATTLE JOINED: NARCO VIOLENCE TRENDS IN 2008

- REF: A. CIUDAD JUAREZ 22  
B. MEXICO 3586  
C. MEXICO 2371  
D. MEXICO 3498  
E. MEXICO 3779  
F. MEXICO 1766

Classified By: Political Minister Counselor Charles V. Barclay.  
Reason: 1.4 (b) , (d)

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Summary  
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1. (C) 2008 set a new record for organized crime-related homicides with more than 6000 killings. Violence in Mexico suddenly provided fodder for U.S. and international media with commentators suggesting worse to come.

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REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer

B1

[REDACTED]  
[REDACTED] Internecine struggles among the  
cartels and GOM counter narcotic successes have increased the  
costs of doing business and account for most of the up-tick  
last year. Frustrated traffickers, seeking to diversify  
profit-making activities through kidnappings and extortion,  
account for more. End Summary.

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Drug-Related Homicides on the Rise  
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2. (C) Few killings in Mexico are thoroughly investigated,  
and determining which are truly related to organized crime  
remains an inexact science, but Mexico's Attorney General's  
office's year-end estimate stands at 6262. [REDACTED]

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[REDACTED]

[REDACTED]

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Spike in Violence Concentrated at the Border  
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3. (C) Violence continued to be concentrated in a few key states, and in 2008 there was a spike in drug-related killings in the northern border territories. An estimated 41 percent of these homicides took place in Chihuahua and Baja California states and largely in two urban areas, Ciudad Juarez and Tijuana. (see MEXICO 3586). Sinaloa continued to rank among the most violent states with approximately 1048 (or 18%) of these killings. The surge in violence along the border stems largely from the intensified struggle among cartels over a few lucrative land crossings to the U.S.

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Changes In Cartel Behavior  
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4. (SBU) Beyond its broadened scope, the nature of cartel violence changed in 2008: organized violence was characterized by significantly increased brutality, a callous disregard for the potential for collateral damage and more frequent targeting of soldiers and police. Mexico's drug trafficking organizations (DTOs) have also more frequently orchestrated violence to send intimidating messages to security forces, the Mexican public and the body politic.

5. (SBU) Incidents, such as the August beheadings of 12 in Yucatan, the execution style killing of 24 on the outskirts of Mexico City in September, late fall killings of soldiers in Monterrey and Guerrero in late December contributed to growing public unease here and garnered media attention abroad. Several first-time-ever incidents involving grenades and improvised explosive devices (such as the notorious Independence Day grenade attack in Morelia, the shooting and

UNCLASSIFIED U.S. Department of State Case No. F-2011-02923 Doc No. C17647821 Date: 08/06/2012

undetonnated grenade attack on the US Consulate in Monterrey, the use of improvised explosive devices in downtown Mexico City and Sinaloa, and a grenade attack on police cadets in Jalisco) demonstrate that not only have the cartels successfully expanded their arsenals, but at least some elements have developed a tolerance for inflicting civilian casualties.

6. (SBU) Cartels have also expanded their use of violence to intimidate. Beheadings and the prominent placement of dismembered bodies in public places, relatively rare two years ago are now common throughout the country. The late night grenade/shooting attack on our consulate in Monterrey was obviously designed to send a message, although no individual or group has ever claimed responsibility. More explicit was the January assault on the Monterrey offices of Televisa, accompanied by a message telling the broadcaster to do a better job reporting on corrupt public officials. Attacks such as these remain sporadic so far, and we have insufficient indications whether they mark a new trend or not.

7. (SBU) Despite these sporadic attacks, Mexico's drug war continues to primarily impact security forces and those linked directly or indirectly to the drug trade. The civilian population in some urban areas along the border remains bunkered down with some of those who have the money either sending their children to school in the U.S. or relocating entirely to minimize risk. In much of the rest of the country, though, the civilian population not involved in the drug trade remains essentially insulated from the violence, though not from its effects.

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Police Killings Increase Along With Overall Death Toll  
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8. (SBU) SEDENA estimates that at least 522 civilian law enforcement and military personnel were murdered last year, compared to 315 in 2007.

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9. (C) Increased confrontations between security forces and criminals is one explanation for the increasing killing of security forces personnel. GOM authorities argue that killings are no longer just score-settling among bad cops, but increasingly the consequence of the government's aggressive fight against the cartels. Some analysts we have spoken to agree. However, they also note that with few exceptions the majority of deaths are not the result of direct confrontations. They argue that the crackdown on police corruption has put compromised police officials in the position of either being prosecuted or breaking their established agreements/arrangements with the cartels. Hence, some of those who presumably choose the latter course are being punished brutally. (See MEXICO 2371, 3498)

10. (SBU) It is worth noting that police victims (at all levels of government) represented eight percent of all 2008 killings believed to be drug-related, a figure slightly lower than the percentage in 2007. The vast majority of victims continue to be state and municipal law enforcement officers. Senior level, federal police killings were still rare occurrences in 2008. The most high-profile death remains the May killing of Edgar Millan Gomez, the country's highest-ranking federal police officer.

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Targeting of Soldiers An Ominous Sign  
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11. (S) There have been notable incidents of horrific violence against soldiers, including a string of slayings of enlisted men in Monterrey in October and the systematic decapitation of seven troops in Guerrero (see MEXICO 3779). The theory that those killed in Guerrero were rogue soldiers involved in drug trafficking has been discounted, suggesting the cartels have begun to target soldiers to exact revenge for successes registered by the military and attempt to undermine the institution's resolve. The Monterrey and Guerrero killings immediately followed successful military operations in the respective regions resulting in seizures and arrests.

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1.4(D)  
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A Measure of Success?  
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16. (C) While attributing last year's significant spike in violence to its own successes marks an effort by the Calderon administration to put the best face possible on a grim situation, there is also considerable truth to the assertion.

President Calderon's counter-narcotics team has scored significant successes, particularly in the last 12 months. Record numbers of weapons and drugs have been seized, key members of drug cartels have been arrested and/or extradited, cartel sources inside government institutions have been arrested ) including a former Deputy Attorney General and the head of Interpol in Mexico. The GOM has disrupted cartel operations in meaningful ways;

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frustrated traffickers have turned to kidnappings and extortion to compensate for the loss in drug-trafficking revenue, expanding their reach and impacting a greater number of bystanders who have no involvement in DTO activities. These kinds of impacts bring home to ordinary Mexicans the nature of the struggle here.

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Outlook  
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17. (C) Mexican authorities and law enforcement analysts predict that violence will likely get worse before it gets better. Recent truce rumors notwithstanding, there is currently no indication that the violence will soon abate; CENAPI reports 280 killings for the first 20 days of January.

Visit Mexico City's Classified Web Site at  
<http://www.state.sgov.gov/p/wha/mexicocity> and the North American  
Partnership Blog at <http://www.intelink.gov/communities/state/nap/>  
BASSETT

NOTE: MISSING S/NF PARA  
NNNN

1 Q So after El Borrás got into a car accident, you testified  
2 that you took him back to your office?

3 A He was taken to the transit office, yes.

4 Q Why take him back to the office? Why not just let him go  
5 right there?

6 A Because there was a big scandal, more people had arrived  
7 there, so it was easier to fix it in an administrative matter  
8 rather than taking him to the state police.

9 Q I'm going to turn your attention to 2009, late 2009.

10 Do you remember when Arturo died?

11 A It was approximately December 2009.

12 Q How did you react?

13 A Well, I thought the war was going to be over.

14 Q Was it over?

15 A No. It became worse.

16 Q Can you describe how the violence looked in Tepic at this  
17 time?

18 A Well, it turned into the fact that there were people hung  
19 from bridges. There were people who showed up skinned. And  
20 there was a particular phenomenon of the pozoles, the pozoles  
21 in Tepic.

22 Q What is the pozoles?

23 A They were these big tins where they would put dismembered  
24 parts like legs, heads, legs, and they would add some corn  
25 grains to it and call it pozoles, or corn stew.

ACTION WHA-00

INFO LOG-00 AF-00 VCI-00 ACQ-00 AVC-00 DIAS-00 TEDE-00  
INR-00 L-00 MOFM-00 MOF-00 VCIE-00 NSAE-00 ISN-00  
NSCE-00 OMB-00 PA-00 PM-00 PRS-00 P-00 ISNE-00  
SP-00 SS-00 TRSE-00 T-00 IIP-00 PMB-00 DRL-00  
G-00 SAS-00 /000W

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NATIONAL SECURITY COUNCIL WASHINGTON DC  
JOINT STAFF WASHINGTON DC  
DEPT OF HOMELAND SECURITY WASHINGTON DC  
HQ USNORTHCOM  
DEA HQS WASHINGTON DC  
CIA WASHINGTON DC  
SECDEF WASHINGTON DC  
FBI WASHINGTON DC

RELEASE IN PART B1,1.4(D)

S E C R E T MEXICO 000009

Classification Extended on : 07/07/2017 ~ Class: SECRET ~ Authority: DSCG 11-1 ~  
Declassify on: 01/06/2030

SIPDIS

E.O. 13526: DECL: 2021/01/06  
TAGS: PREL, PGOV, PINR, SNAR, MX  
SUBJECT: Beginning of the End for Mexico's Beltran Leyva  
Organization?

CLASSIFIED BY: Carlos Pascual, Ambassador, DOS, Exec; REASON: 1.4(B),  
(D)

1. (SBU) Summary: In the past year, Mexican police and military operations have removed from action top leaders of the Beltran Leyva Organization (BLO) including Arturo Beltran Leyva, his brother Carlos, and rival successors Edgar "La Barbie" Valdez Villarreal, Gerardo "El Indio" Alvarez Vazquez, and Sergio "El Grande" Villareal Barragan. As a result of these law enforcement successes and related internal battles, the BLO cartel has splintered, indicating that pursuit of high value targets can contribute to disrupting, weakening, and eventually dismantling powerful cartels. Increasingly, the GOM has improved its capacity to exploit information captured or extracted from these takedowns, allowing it to put greater pressure on the organization and weaken its structure. End Summary.  
A series of law enforcement successes

2. (S) In December 2009, the Mexican Navy killed Arturo "el Jefe de  
REVIEW AUTHORITY: Janina Slattery, Senior Reviewer

UNCLASSIFIED U.S. Department of State Case No. F-2010-06909 Doc No. C17691113 Date: 07/13/2017

Jefes" Beltran in a gunfight (09 Mexico 3573). Less than a month later, Arturo's brother Carlos was arrested at a traffic stop (10 Mexico 79). Soon, the cartel split, with Hector Beltran Leyva and Sergio "El Grande" Villareal Barragan leading one faction and Edgar "La Barbie" Valdez Villarreal and Gerardo "El Indio" Alvarez Vazquez leading the other. For months the factions engaged in heavy fighting which led to dramatic increases in violence in Morelos, Guerrero, and other states (10 Mexico 333). However, little by little, GOM operations succeeded in taking out numerous high level BLO members. In April 2010 the Army captured Alvarez and a handful of his close collaborators and plaza bosses (10 Mexico 257). Then, in August 2010, the federal police arrested Valdez (10 Mexico 457). A few weeks later, on September 12, the Navy captured Sergio "El Grande" Villareal Barragan, Hector's number two. In November 2010, police arrested the BLO's main cocaine supplier, Harold "The Rabbit" Poveda and later Carlos "El Charro" Montemayor Gonzalez, who led Valdez's faction after his arrest. Montemayor is Valdez' father-in-law and his wife is a cousin of Villareal Barragan. Police said that Montemayor admitted responsibility for the murder of 20 tourists in Acapulco, apparently mistaking them for members of their rival, La Familia Michoacana. The GOM also announced recently that it will extradite Valdez (an American citizen) to the U.S. for prosecution once their process of questioning him is complete.

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What's Next for the Cartel: Looking to Survive

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4. (S) The BLO remains active and will look for methods of self preservation.

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UNCLASSIFIED

A Brief History of the BLO

6. (SBU) Many details of the Beltran Leyva family remain unclear, including exactly how many of the siblings (Arturo, Armida, Mario Alberto, Carlos, Hector, Amberto, Alfredo, Felicitas, and Gloria) are involved in organized crime. At least five Beltran Leyva brothers began their careers with Amado Carrillo Fuentes' Juarez cartel in the early 1990s and then switched their allegiance to Joaquin "El Chapo" Guzman, the leader of the Sinaloa cartel, after

Carrillo Fuentes died in 1997. In addition to managing Sinaloa's cocaine imports from Colombia, the most lucrative part of the cartel's operations, the Beltran Leyva brothers were trusted with such key assignments as challenging the Gulf Cartel on its own territory after Gulf leader Osiel Cardenas was jailed in late 2003.

7. (SBU) In 2008, the Beltran Leyvas split with Guzman, blaming him for the arrest of their brother Alfredo. The remaining brothers formed their own organization, which quickly became one of the most powerful cartels in Mexico. BLO quickly amassed millions of dollars and used its deep pockets to bribe high-level government officials including Noe Ramirez Mandujano, former head of the Office of Specialized Investigations of Organized Crime (SIEDO), part of the Attorney General's office. As BLO's success increased, its feud with Sinaloa intensified; the parking lot assassination of El Chapo Guzman's son in May 2008 is attributed to the BLO, along with its ally, the Juarez Cartel. The BLO/Juarez vs. Sinaloa fallout from this murder coincides with the soaring violence in Juarez in 2008-09. The confrontation between the Sinaloa Cartel and the BLO/Juarez cartels accounts for well over 95% of the violence in Ciudad Juarez and has taught a painful lesson: the GOM's inability to curtail cartel violence locally amounted to impunity and cartels simply settled score among themselves. In 2008, the BLO entered into an alliance with the Zetas and the two organizations began collaborating to expand drug smuggling routes, particularly in southern Mexico. States like Guerrero, Michoacan, and Oaxaca saw a marked increase in violence and criminal activity as a result, and the ties between BLO and the Sinaloa cartel were further strained.

Comment





PASCUAL

NNNN

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ACTION INL-00

INFO LOG-00 EEB-00 AID-00 CIAE-00 CPR-00 CTME-00 DOTE-00  
WHA-00 PDI-00 DS-00 DHSE-00 OIGO-00 FAAE-00 FBIE-00  
UTED-00 VCI-00 FRB-00 H-00 TEDE-00 INR-00 JUSE-00  
LAB-01 L-00 MOFM-00 MOF-00 CDC-00 VCIE-00 NSAE-00  
ISN-00 NIMA-00 EPAU-00 PER-00 GIWI-00 ISNE-00 DOHS-00  
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DEPT OF HOMELAND SECURITY WASHINGTON DC  
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DEA FOR OD, OF, OFC, AO, DO, NPSM  
CUSTOMS FOR LA OPS AND FOR OIA/WHB

E.O. 12958: N/A  
TAGS: SNAR, KCRM, KJUS, PGOV, PREL, MX  
SUBJECT: NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR MARCH 2009

REF: MEXICO 00000640, MEXICO 00000988

Classified by DAS, A/GIS, DoS ~ Class: CONFIDENTIAL~ Declassify on: 04/15/2020

REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer

1. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED

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INTERNAL DEVELOPMENTS  
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Violence Down  
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2. (U) At the close of March, AG Medina Mora reported the organized crime-related death toll for the first quarter of 2009 at approximately 1,600, a 25% reduction from the previous quarter. The presence of troops in the border city of Ciudad Juarez was cited as a prime reason.

3. (U) Targeting of Mexican public officials was a continuing trend exemplified by PGR statistics that estimated 10% of the 10,475 organized crime-related murders committed during the Calderon administration were state, federal or local government officials. While the violence has focused on law enforcement officials, elected officials have not been immune. At the local level, five mayors, six ex-mayors, three councilmen, five trustees and three municipal employees have been murdered since 2008. Additionally, state and local officials as well as candidates for political positions have been subject to kidnappings and death threats. A mayoral hopeful for a Guanajuato Municipality was held for ransom a week by suspected cartel members.

Fear of Cartel's Political Influence  
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4. (U) The inability of local governments to counteract the extension of cartel influence into the political arena has been a continuing concern in the lead up to June 5 ordinary elections. The Directorate-General for the External Relations of the European Commission issued a report voicing these concerns and pointing out the limited ability of the Federal Electoral Institute (IFE) to keep illicit funding out of the elections. It called upon parties to serve as a "first filter" against organized crime influence. PRI Representative Samuel Aguilar pointed out that organized crime is interested in the representative and gubernatorial elections but their best bet will be for mayoral elections in 11 states.

Interdiction  
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5. (U) The SSP reporting that so far this year, approximately USD 3.4 million has been interdicted at the Mexico City International Airport (last year a total of USD 4.3 million was seized). Additionally, the GOM is developing a new system of vehicle

UNCLASSIFIED U.S. Department of State Case No. F-2010-03406 Doc No. C17520451 Date: 07/20/2012  
inspection (SIAVE) employing densimeters and video surveillance to detect irregularities in vehicles crossing the border. The Ignacio Zaragoza International Bridge between Brownsville, TX and Matamoros, Tamaulipas is the site of the first phase of the pilot program that the GOM plans to implement at all land ports of entry to interdict southbound arms, money and other contraband.

#### TIPS Program

6. (U) Other new strategies have also emerged. On March 23 the PGR instated a program that offers rewards of up to \$2 million USG for information leading to any of the top 37 drug lords. Funding for the highest figure to be offered by PGR to date will come from seized assets (over \$330 million USD have been seized during the Calderon administration). SEDENA has also taken an unconventional approach by

Mexican standards to engage the citizenry in the fight against organized crime by creating toll free number for citizen complaints.

#### International Interest in Mexico

7. (U) A hail of visits in March by foreign dignitaries also put Mexico into the limelight. French leader Nicolas Sarkozy's two day stint to Mexico served to commit French backing for the Calderon administration's war. While no real accords were made, Sarkozy made a verbal commitment to assisting Mexico in its fight against organized crime. Visits by the Crown Prince of Norway and the Prince of Belgium also served to rally support for Calderon's efforts.

8. (SBU) The desire of the international community to provide the GOM with assistance was also echoed by Canada, which has seen an uptick in violence related to Mexican organized crime. Post hosted a briefing and working session for an interagency team from Canada March 11 to develop a "needs assessment" to advise senior managers in Canada on possibilities and scope for future Canadian cooperation in the area of judicial reform, police training, and corrections services. This visit complemented discussions during the Canada-Mexico Security Consultations in Ottawa, on February 26, 2009.

#### MERIDA INITIATIVE

9. (SBU) The second and third bilateral implementation meetings were held in March (REF: MEXICO 00000640, MEXICO 00000988). There has

been a clear progression in bi-national cooperation since the first meeting in late January, with all working groups now functional and a clear sense of joint purpose. These meetings serve to draw out the participation of all GOM entities and to cement the work plans that working groups are developing. We inaugurated the first working group that is not related to either a specific Merida project or to the improved administration of Merida (e.g. metrics, project tracking, press), on biometrics, successfully testing the proposition that Merida could be used for other working groups to tackle specific problems. The Merida framework will probably also be used for a Mexico City based Arms Trafficking Working Group to provide follow up to the recent conference.

10. (SBU) Merida implementation continues at a slower pace than both sides would like, hindered primarily by staffing gaps, but also in some cases by lack of definition by the GOM on specific projects. There is also a growing realization that many projects are simply complex by nature (e.g. polygraph, which involves 7 agencies on the U.S. side and 4 agencies in Mexico, to tackle a problem of historic proportions), and will require time to do right.

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PROFESSIONALIZATION AND TRAINING  
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11. (SBU) Ongoing NAS/DEA training in March provided over 500 participants from the PGR, SSP and other Mexican state/federal law enforcement institutions with coursework on Document Fraud, Advanced Digital Photography, Crime Scene Investigation, Highway and Airport Interdiction, Homicide Investigation, Meth and Basic Drug Identification, Drug and Criminal Investigation, Interviewing Techniques and a Train the Trainer session. Additional coursework provided by post's law enforcement community included Intel-Analysis Training and Crime Scene Management.



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CORRECTIONS SYSTEMS REFORM PROJECT  
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13. (SBU) On March 5, 21 inmates were killed in a clash between rival gangs at a state prison 30 kilometers south of Ciudad Juarez. SEDENA, which has expanded its presence in the border city, took control of the state and municipal prison facilities the following day.

14. (SBU) The non partisan Senate Human Rights Commission presented its finding to the Plenary Committee on abuses that led to the riots of last September at Tijuana's La Mesa State Penitentiary. The most searing conclusion pointed out that besides the obvious structural problems that led to riots and the subsequent death of 23 inmates (including 2 Americans), torture, abuse and harassment were also factors.

15. (SBU) The first National Conference of the Penitentiary System provided top GOM officials with a forum to voice concerns and steps forward. Undersecretary of Prisons, Patricio Patino, reported the total prison population near a quarter million, some 50,000 inmates over capacity. In response, Secretary Garcia Luna announced the construction of a maximum security block at the still incomplete medium-security prison in Guasave, Sinaloa and completion and expansion of the prison complex in Papantla, Veracruz, which will now include an administrative segregation housing unit (super max). Currently, the Mexican state, federal, and municipal prison systems have 444 facilities nationwide, 3 of which are maximum security federal centers.

16. (SBU) Under the comprehensive Corrections/Penitentiary Systems Reform program, which received \$4,000,000 in FY08 Merida Initiative funding, post sent 24 SSP corrections instructor candidates to Santa Fe, NM for the first in a series of academy instructor certification courses. In CY2009 post anticipates training 75 new instructors who will in turn train a total of up to 800 corrections officers this year. The first class of 200 new Corrections Officers (custodians) will start the first or second week of May 2009.

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AVIATION SUPPORT  
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17. (SBU) The seventh and last UH-60 Blackhawk purchased by the GOM

was delivered to the SSP and arrived in Mexico in March. Two SSP (Federal Police) Blackhawk pilots completed flight simulator UH-60 refresher courses at Ft. Rucker, Alabama.

18. (SBU) Two truckloads of UH-1H helicopter parts (removed from aircraft to be scrapped) were donated to the PGR's Air Services.

19. (SBU) SEDENA reports that during CY2008 the Mexican military destroyed over 1,100 clandestine/suspicious airstrips throughout Mexico.

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INTERDICTION  
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20. (SBU) [REDACTED] major seizures in January:

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-- March 4 - Guardados de los Arriba, Tamaulipas: SEDENA discovered \$193,950 USD buried under a tree and 9.5 tons of marijuana in an underground warehouse.

March 5 - Michoacan, Guerrero and Sinaloa: SEDENA destroyed over 600 thousand marijuana plants in three separate cultivation sites.

March 6 - Santa Rosalia, Baja California Sur: SEMAR canine unit interdicted 1,342 kilograms of marijuana hidden in a pickup truck travelling by ferry from Guaymas, Sonora.

March 11 - Mexico City, Mexico: Seizure of approximately 100 kilograms of ephedrine at the Mexico City International Airport.

March 13 - Uruapan, Michoacan: SEDENA seized 17 kilograms of methamphetamines and various arms.

March 14 - Navojoa, Sonora: AFI agents seized 6.1 kilograms of black tar heroin transported aboard a passenger bus en route to Tijuana.

March 14 - Sonora: During a patrol, a suspicious vehicle yielded 420 kilograms of marijuana.

March 14 - Ixtlahuacan del Rio, Jalisco: SEDENA and state officials

March 15 - Sanchez Roman, San Luis Potosi: Federal police found 859 kilograms of marijuana aboard a truck that was abandoned after a highway accident.

March 21 - Apatzingan, Michoacan: Seizure of approximately 8.5 metric tons of phenylacetic acid.

March 24 - Santa Ana, Sonora: AFI agents seized 4.1 metric tons of marijuana from a cargo truck en route to Tijuana.

March 24 - Culiacan, Sinaloa: Seizure of \$5.1 million USD and 217 kilograms of cocaine from a residence.

March 24 - Heliodoro Castillo, Guerrero: SEDENA seized 35 kilograms of heroin from a residence.

March 30 - Rio Bravo, Tamaulipas: SEDENA seized 718 kilograms of marijuana from a residence

March 28 - Punta Paulito, Baja California: SEDENA seized 260 kilograms of marijuana transported aboard a fishing vessel.

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#### DEMAND REDUCTION

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21. (SBU) The "National Network for Technological Transfer in Addictions" (RENADIC) project supports Mexico's National Council Against Addictions (CONADIC) in its efforts to create a wide-area network that extends web-based interconnectivity to more than three hundred CONADIC offices around Mexico is underway. With coordination with INL/Demand Reduction office, NAS Mexico City has collaborated with CONADIC on next steps. INL/NAS will provide logistical support for the acquisitions of hardware that will be used to establish and expand the availability of the RENADIC infrastructure and services. The new time frame for providing equipment will be three-five months.

#### MANAGEMENT

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22. (SBU) In preparation for increased staffing, post continues to work on space solutions within and outside of the Embassy. Construction has begun to renovate office space on the Embassy's



UNCLASSIFIED U.S. Department of State Case No. F-2010-03406 Doc No. C17520451 Date: 07/20/2012  
second floor that will provide workspace for approximately 15 people. Meanwhile, post continues to pursue a lease for additional space in a nearby commercial building. To address GOM concerns about the lease arrangement for that bilateral office, post is exploring the possibility of sub-leasing a portion of the space to the GOM for their personnel. NAS Mexico continues to work with INL/RM and the other posts involved in Merida implementation to develop an efficient accounting and records management system that meets the needs of posts and Washington clients.

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ISSUES FOR WASHINGTON  
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B2

25. (SBU) We appreciate continued high-level attention to the bilateral implementation office. The clock is ticking on this project and we will have a capacity gap until we can finish it.

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RELEASED IN PART  
B7(E),1.4(D)

From: svcsmartmfi

Sent: 7/13/2009 9:12:14 AM

To: SMART Core

Subject: NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR JUNE 2009

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**DECONTROLLED**Classified by DAS, A/GIS, DoS ~ Class: CONFIDENTIAL ~ Reason: ☐ B1 1.4(D)~  
Declassify on: 07/12/2019/03/2012

MRN: 09 MEXICO 2034  
 Date/DTG: Jul 13, 2009 / 131348Z JUL 09  
 From: AMEMBASSY MEXICO  
 Action: WASHDC, SECSTATE, ROUTINE  
 TAGS: SNAR, KCRM, KJUS, PGOV, PREL, MX  
 Captions: SENSITIVE  
 Sensitivity: Sensitive  
 Reference: MEXICO 1948, MEXICO 1949  
 Pass Line: STATE FOR INL AND WHA/MEX TREASURY FOR ENFORCEMENT SECRETARY DOJ  
 FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN 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: NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR JUNE 2009

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 RUEKJCS/SECDEF WASHINGTON DC  
 RHMFISS/JOINT STAFF WASHINGTON DC  
 RHMFIUU/HQ USNORTHCOM  
 RHMFISS/HQ USSOUTHCOM MIAMI FL  
 RHMFIUU/DEPT OF HOMELAND SECURITY WASHINGTON DC  
 RHMFIUU/US CUSTOMS AND BORDER PRO WASHINGTON DC  
 RUEHXC/ALL US CONSULATES IN MEXICO COLLECTIVE  
 RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MEXICO 002034

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REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer

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STATE FOR INL AND WHA/MEX  
 TREASURY FOR ENFORCEMENT SECRETARY  
 DOJ FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN  
 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

E.O. 12958: N/A

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

SUBJECT: NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR JUNE 2009

REF: MEXICO 1948, MEXICO 1949

1. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED

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 INTERNAL DEVELOPMENTS  
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2. (SBU) INCREASING VIOLENCE: June was the most violent month of Calderon's presidency, with a total of 769 organized crime-related deaths. June 7 alone tallied 40 fatalities, 19 resulting from a five-hour shootout between military forces and members of the Beltran Leyva Cartel in Acapulco. Media outlets report approximately 3,446 deaths so far this year, constituting a 78% increase over the 1,935 murders committed during the first half of 2008.

3. (SBU) Among the dead rank countless unnamed victims, innocent bystanders, children, public officials, and members of the security forces. The latter suffered 44 casualties in June (38 police officers and 6 soldiers) raising this year's total to 196 and well on track to surpass the 2008 record of 229. Increased operations against organized crime cells attributed to this increase as did reprisal attacks and targeted hits. Days following the Acapulco shootout, armed convoys attacked two municipal police facilities leaving three officers dead and numerous wounded. Later in the month, the dismembered bodies of two Guerrero investigators were discovered along a local highway. Another attack led to the death of the head prosecutor of Arcelia, Guerrero, in charge of the investigation into the June 13 murder of a local Catholic priest and two seminarians as well as attacks against two legislature hopefuls.

4. (SBU) President Calderon made clear his intentions to continue the current strategy to attack organized crime head-on noting "whoever and wherever they attack (can we change that from "mess with") one of ours, we will make their criminal activities more difficult." This comment came on the heels of the disappearance of Veracruz customs administrator Francisco Serrano Aramoni, party to the historic Zhenli Ye Gon ephedrine seizure. Calderon further warned that his government "will continue and intensify" actions "to confront, imprison, combat and eradicate organized crime in Mexico."

5. (SBU) INTERNAL INTEGRITY: The World Bank sponsored Worldwide Governance Indicators (WGI) research project released an update in June ranking Mexico at a 12 year low in the realm of "political stability and absence of violence". While Calderon was quick to refute the validity of the study, it also indicated a 1.5 percent increase in the category measuring "control of corruption", placing Mexico near its 2003 peak rating.

6. (SBU) June was exemplary of the efforts underway to purge Mexico of corrupt officials with federal forces taking charge of four Nuevo

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Leon police headquarters and arresting 29 on suspected corruption charges on June 1. Military backed operations nationwide from May 27 to June 28 led to the detention of 159 police officers (128 cartel members were detained during the same period). Countless others have deserted their posts or been relieved pending investigations.

7. (SBU) FEDERAL-STATE CHALLENGES: Confrontations between federal and local law enforcement forces evinced strained relations attributable to federal clean-up efforts. In one altercation, Nuevo Leon municipal police protesting recent raids drew their automatic weapons on federal agents. No shots were fired during the standoff which ended with several arrests. A second run-in in Guadalajara occurred when state police attended to a report of drug use in a local restaurant. Federal Investigative Agency (AFI) agents also on the scene confronted the state officials, injuring one of them. While this case was ended with the suspension of the four AFI

agents, underlying jurisdictional issues remain widespread.

8. (SBU) Calderon continues to struggle to maintain an uninterrupted presence of federal agents and military troops in key locations. In June, the military carried out the first programmed rotation of 2,500 soldiers and 1,500 federal police agents in Chihuahua. According to the spokesman for Joint Operation Chihuahua (JOC) the rotations every 40-60 days are intended to "prevent soldiers from any type of collusion with organized crime". Renewed eradication operations deep in the "Golden Triangle" drug-producing region may also depend on this strategy as sources have speculated inexperienced soldiers and youth meeting military service requirements may be enlisted. Twelve soldiers were detained June 12 for links to the Zambada DTO.

9. (SBU) President Calderon inaugurated the National Forum on "Security with Justice" held on June 24-25, the first anniversary of the passage of comprehensive justice and security sector reforms. The event was organized by two civil society groups keenly interested in the reforms--the National Network for Criminal Justice System Promotion and the non-governmental organization S.O.S. USAID/Mexico supported the forum by funding an expert speaker on constitutional reform. The event included impressive participation by civil society and government, including the Mexican Attorney General Medina Mora, the Secretary of Public Safety Garcia Luna, governors from five Mexican states, representatives of the three main political parties (PRI, PAN, PRD), academics, journalists, and the President of Chile Michelle Bachelet. Discussion focused on next steps for reform implementation, including political will and the provision of human and financial resources, as well as the vital "watchdog" role of civil society.

#### ----- MERIDA INITIATIVE -----

10. (SBU) CIVIC ENGAGEMENT: The Merida funded Citizen's Participation Councils (CPC) hosted their first national forum in Cuernavaca June 15-16. A high profile group of legal experts, educators, civic leaders, and elected officials, anchored by First Lady Zavala and Attorney General Medina Mora, met to exchange ideas on how to better mobilize society in the fight against crime and violence. The well-organized and attended forum provided new or reinforcing ideas that covered crime prevention programs, improvements to the legal system, the need for better investigators, culture of lawfulness, professionalization of the police, demand reduction, and societal factors related to criminality. The forum showed the reach and depth of the CPCs and provided an excellent

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opportunity for them to showcase best practices and ideas from their various chapters, while bringing in participants from many parts of Mexican society involved in public security. (MEXICO 1949)

11. (SBU) BILATERAL OFFICE: Bilateral Implementation Office design team spent the last of week of June in Mexico City developing the layout for the 40 American and 20 Mexican officials who will work in the office. The plan was approved by SRE and CISEN and the design will now move to the next step. Occupancy is expected in late November.

12. (SBU) SHARING EXPERIENCES: Mexican officials conducted a study tour to Italy to learn from Government and civil society's experience in confronting the mafia and lessons learned about how to effectively fight organized crime. From 20 to 30 June 2009, twenty-three Mexican state prosecutors, Attorneys General and Citizen Participation Council members from the states of Baja California Norte, Chihuahua, Hidalgo, Tabasco, and Zacatecas traveled to Rome, Palermo and Calabria, Italy. The delegation also included the Attorneys General from the U.S. states of Idaho, New Mexico and North Dakota, who contributed their own experiences in

applying U.S. judicial practices to the problem of organized crime. The trip, part of an ongoing Merida Initiative program to provide technical assistance to justice officials and civil society organizations to better equip them and respond jointly in their fight against organized crime, was led by Management Sciences for Development, Inc., one of USAID/Mexico's implementing partners.

13. (SBU) OTHER PROJECTS: USAID also sponsored a month-long anti-kidnapping and extortion training with the help of Colombian National Police. The training was headed by officials from the State of Chihuahua Attorney General's office. Additionally, USAID signed an agreement with Management Systems International for USD \$11 million in support of law enforcement training programs. For a summary of the progress of individual Merida Initiative programs see notes from the July 1 Bilateral Implementation Meeting, MEXICO 1948.

#### ----- PROFESSIONALIZATION AND TRAINING -----

14. (SBU) Ongoing NAS/DEA training in June provided law enforcement officials from the PGR, SSP and other Mexican state/federal law enforcement institutions with coursework on conflict mediation, narcotics and homicide investigation, interviewing techniques on sexual assault, crime scene search and preservation of evidence, kidnapping and hostage negotiation, methamphetamine and clandestine labs, highway and airport interdiction and document fraud. NAS also sponsored GOM participants to Crime Scene Management and Anti-Gangs Training at International Law Enforcement Academy (ILEA) and an Explosive Detection Canine Handler Course at the ATF Firearms and Explosives Training Center.

15. (SBU) The first Federal Police Investigator course for 1,500 new university educated investigative police recruits began June 1 with an impressive ceremony in Iztapalapa hosted by Secretary of Public Security Garcia Luna and eight university rectors. The event included a taped speech by President Calderon who suggested this event will mark the "before and after" of the new Mexican Police Force. The second phase of investigator training, sponsored and coordinated by NAS, will enlist 91 instructors from DHS, DOJ, State/DS, U.S. state and local forces as well as international officers from Spain, the Czech Republic, Canada, El Salvador, and

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Colombia. Coursework is on schedule to begin July 20 in San Luis Potosi. SSP is also pushing to begin the second cycle of training immediately following the first in order to have as many 1,500 officer cycles as possible completed by the end of the year. NAS will also embed an advisor at SSP headquarters to begin work on mid and senior-level courses in the fall.

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CORRECTIONS SYSTEMS REFORM PROJECT  
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16. (SBU) SSP hosted the Mesoamerican Penitentiary Seminar in Xalapa, Veracruz June 25-26. The conference drew participation from throughout the Americas including the Chilean Justice Minister, a Honduran Vice Minister, and representatives from Guatemala and Belize as well as state officials from Colorado and New Mexico. The seminar showcased the graduation of the first 200 new penitentiary officials trained by the 23 mid-level Mexican graduates of the New Mexico Corrections Academy and the 22 classification experts trained under the Merida Initiative prison program. NAS Director offered keynote address, stressing the importance of innovation and exchanges to our work, and highlighting the new generation of public security officials emerging in Mexico and the region.

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JUSTICE REFORM  
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17. (SBU) NAS Director spoke at the annual meeting of the National Association of Attorneys General in Colorado Springs June 16. Merida Team, especially USAID, has developed a close partnership with the NAAG and the more focused Conference of Western Attorneys General (CWAG), both of which have been very supportive of justice reform projects at the state and federal levels.

18. (SBU) NAS Director, Legatt, DHS Attache, and NAS Justice Coordinator traveled to Tamaulipas June 29-30 to discuss judicial reform, public security, and capacity building with the Governor, State Attorney General, Supreme Court judges, and Chief of Public Security. They toured the state's judicial center, C4 center, and Public Security Complex, and were given a demonstration by the anti-kidnapping squad which the FBI helped train. Some 50% of US-Mexican commerce crosses the border in Tamaulipas state, and it faces huge challenges from organized crime. The state has some of Mexico's most progressive judicial reforms and apparently good cooperation between federal, state, and military authorities.

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NON-INTRUSIVE INSPECTION EQUIPMENT  
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19. (SBU) The first NIIE under the Merida Initiative, five ZBV X-Ray Vans and accompanying five Forward Scatter Trailers for SSP, arrived June 19 at the USG Logistics Center in Brownsville, TX. The delivery was 39 days ahead of the deadline specified in the corresponding PO. The equipment, valued \$4,665,385 USD is scheduled for delivery in Mexico City in mid-July.

20. (SBU) This greatly sought equipment is key in assisting security forces efforts to interdict illicit activities throughout the country. Over the past 5 years, the seizure of an estimated USD \$80 million plus in bulk cash has been directly attributed to USG-provided NIIE units. In June alone, mobile and installed gamma radiation units detected 900 kilograms of cocaine in Veracruz and 561 kilograms of marijuana Nuevo Laredo.

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 INFRASTRUCTURE  
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21. (SBU) The Mexican Immigration Service (INM) project for issuance of biographic and biometrical identification credential (migratory form) for frequent visitors and temporary workers on the Mexico Guatemala border began in June, starting at three points on Mexico's southern border. The scope of the initial project contemplates biometrical information capture in parallel with current procedures for issuance of the border credential. The stations will also have the ability to perform a biometric 1:N match to be used to verify that an individual's biometrics have already been enrolled.

22. (SBU) Delivery of database administration software for PGR Project Constanza is expected in August 2009. Although all current software discrepancy issues have been resolved, significant delays are still being encountered with DHS/CBP IT and PGR as no live data is actually being transferred because of the inability of the DHS and the PGR to resolve data exchange issues. Fees of approximately USD \$8000 per month are incurred to keep the contract open in anticipation of the signed data exchange agreement.

23. (SBU) June saw delivery of all required equipment contemplated to provide the National Command Center (Bunker) with servers to integrate with Plataforma Mexico. These servers will help detect, deter, prevent, and mitigate corrupt government activities as well as ensure access to information needed to expeditiously thwart and confront criminal activity. NAS is currently carrying out a discovery and requirements analysis to identify all requirements for a new under-ground bunker facility. NAS has been asked to provide a technical solution to present at the grand opening of the Bunker

next month.

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 CANINES  
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24. (SBU) ATF completed assessment of the resources and physical infrastructure of SAT/Aduanas, AFI and SSP explosives and firearms detection canine programs. The assessment team noted that canine resources are heavily relied upon by each agency within the scope of their perspective missions and all three agencies require additional resources. Notably, they all lack the proper facilities to conduct training, exercise and house canines - essential to long-term success. Currently, each organization plans to build a new canine facility or possibly reconstruct existing structures in order to increase the size and quality of their training academies.

25. (SBU) To address the urgent need for space needed to enhance canine units throughout the country, SAT/Aduanas and PGR officials visited the Front Royal Academy canine facilities the week of June 29 to gather information for the construction of their own facilities. SSP was also invited to attend, but cancelled their participation one day prior to departure due to internal issues.

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CBP and ATF provided guided tours of their respective facilities, complete with canine demonstrations and an in-depth presentation of their day-to-day activities. As a result, both agencies requested copies of the Academy's blue prints to begin

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construction of their facilities.

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 AVIATION SUPPORT  
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26. (SBU) DOA signed the contract June 1 for the first five Bell 412 helicopters for SEDENA. Expected delivery is still December. ODC is discussing requirements for SEMAR's 2009 Merida package with counterparts in order to better define the right aircraft.

27. (SBU) NAS Coordinators, ODC reps, and DHS reps met with GOM counterparts on the margins of the Merida Implementation Meeting to discuss future GOM aviation requirements. SSP is developing its list of Blackhawks, surveillance aircraft, and fixed wing under the Merida 2009 supplemental budget, with a desire to obtain as many assets as possible under this funding stream, and build a support and maintenance structure as the aircraft arrive from internal assets. Further in-depth discussions will be held July 21-22 with the inclusion of WHA, INL air wing, Northcom, and other US players.

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 INTERDICTION  
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28. (SBU) [REDACTED]

[REDACTED] major seizures in June:

- June 1 - Tulum, Quintana Roo: Military forces discovered 25 kilograms of cocaine along a secluded beach during a routine patrol.
- June 2 - Tlajomulco de Zuniga, Jalisco: Military seized a methamphetamine laboratory and arrested one individual.
- June 4 - Ciudad Juarez, Chihuahua: Military forces discovered approximately 90 kilograms of marijuana as well as various long arms aboard two vehicles.
- June 5 - Pichol, Sinaloa: Military forces discovered a clandestine airstrip in the rural mountainous region of Choix. 840 kilograms of marijuana packaged for transport were seized.
- June 5 - Mexico City International Airport: Seizure of 17 kilograms of cocaine and arrest of passenger en route from Panama.
- June 8 - La Paz, Baja California: Federal Police canine teams discovered 97 kilograms of marijuana abandoned on a local beach.
- June 8 - Sonoyta-Caborca Highway, Sonora: Federal Police seized 1.5 kilograms of heroin secreted in the shoes of a passenger bus driver en route to Mexicali.
- June 10 - Ensenada, Baja California: Seizure of 76 kilograms of suspected methamphetamine from a residence.
- June 11 - El Tamarindo, Sinaloa: Military forces raided a ranch seizing 2.84 MT of marijuana. No arrests were made.
- June 11 - San Vicente-Camalu, Baja California: Federal Police discovered 17 kilograms of heroin secreted aboard a passenger vehicle.
- June 11 - Paso del Huejote, Sinaloa: Military forces discovered a clandestine laboratory seizing approximately 51,415 liters of liquid ephedrine. No arrests were made.
- June 12 - San Luis Rio Colorado, Sonora: Military forces discovered 6.4 tons of marijuana aboard a freight truck en route to Mexicali.
- June 13 - Guaymas, Sonora: Seizure of a methamphetamine laboratory.
- June 16 - Progreso, Merida: Approximately two tons of cocaine were discovered secreted in a shipment of frozen sharks.
- June 17 - Hermosillo, Sonora: A traffic accident led to the seizure of 277 kilograms of marijuana.

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--June 22 - Veracruz, Mexico: Mobile Vacis donated by NAS to SSP in November 2005 assisted in the interdiction of a shipment of approximately 900 kilograms of cocaine.

--June 20 - Punta Tepoca, Sonora: SEMAR seized approximately eight tons of marijuana in the Gulf of California.

--June 20 - Cancun, Quintana Roo: Customs detected 1.7 tons of pseudoephedrine hidden in a shipment of German condoms.

--June 22 - Manzanillo, Colima: Federal Police seized 480 kilograms of cocaine secreted in cargo vehicle tires.

--June 23 - Nuevo Laredo, Nuevo Leon: Military forces seized approximately 561 kilograms of marijuana on the World Trade International Bridge.

--June 23 - Monterrey, Nuevo Leon: Military forces raided a residence used to package and distribute marijuana and cocaine. The raid also uncovered a list of police officials on the Gulf Cartel payroll.

--June 23 - Nogales, Sonora: SIU seized two tons of marijuana and five rifles from a stash house.

--June 24 - Mexico City International Airport: Federal Police confiscated 150 kilograms of tableted pseudoephedrine tablets.

--June 24 - Nogales, Sonora: Seizure of 1,310 kilograms of marijuana and five weapons.

#### ----- DEMAND REDUCTION -----

29. (SBU) NAS staff attended a celebration of the International Day against Drug Abuse and Illicit Trafficking hosted by President Calderon June 26 at Los Pinos. Calderon commented that Mexico is no longer just a drug transit country "but also a country with increased consumption". He further noted that his administration is investing more than ever in prevention and treatment, budgeting 600 million pesos in 2009, an eight-fold increase over commitments in 2006. This budget has supported the construction of a total of 320 "Nuevo Vida" treatment centers, offered the "Escuela Segura" prevention program at 15,000 schools, and funded the recovery of 3,000 public spaces in crime-prone communities.

30. (SBU) With the USD \$6.5 million in Merida Initiative funding committed to the National Network for Technological Transfer in Addictions (RENADIC), the USG is also poised to contribute to

Mexican efforts to prevent and reduce "increased consumption". IT consultants visited Mexico the week of June 22 to conduct an assessment of the project which will create a wide-area network (WAN) that extends web-based interconnectivity to more than 300 National Council against Addictions (CONADIC) sub-offices, as well as to local state governments and non-governmental organizations. A thorough report, including findings and recommendations is expected in July, followed by the procurement of hardware for a national distance learning platform to facilitate training and technical assistance on drug prevention and treatment.

#### ----- MANAGEMENT -----

31. (SBU) Three new LES joined the NAS organization this month: one driver and two financial specialists. We are busy making all the preparations for the arrival of five new USPSCs and one FSO (Management Officer).

32. (SBU) The technical review process for the Deputy Border POE and Law Enforcement Professionalization PSC vacancies are underway. Insufficient applications have been received for the Contractor

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Officer Representative (COR) vacancies, and we have asked they be re-solicited (see comment under "Issues for Washington")

33. (SBU) A scrub is underway of the entire NAS organization to ensure that our staffing structure which was agreed to over a year ago is adequately resourced and properly organized. NAS Director will review the recommendations and these will be shared with INL/EX.

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**ISSUES FOR WASHINGTON**  
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34. (SBU) The large procurements required by the Merida Initiative highlight the importance of strong contract administration. We were disappointed by the lack of qualified applicants for the PSC Contract Officer Representative positions with extensive and recent contracting experience. Given the specialized nature of this requirement, INL/EX should consider recruiting CORs from A/LM to serve TDY in NAS Mexico and provide support in this increasingly critical area.

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**EVENTS**  
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35. (SBU) Upcoming events:

July-13 Workshop on Combating Illicit Trafficking In Arms, Belize City, Belize

July-15 Bilateral Arms Trafficking Working Group (with Southern Border Initiative) Embassy and Washington participation, Mexico City, Mexico

July-20 5 week Investigative techniques course, 1,500 new Federal Police investigators, San Luis Potosi, Mexico

July-21 Bilateral Aviation Meeting, Mexico City, Mexico

August-5 Sixth Bilateral Merida Initiative Implementation Meeting, Mexico City, Mexico

August-14 ILEA Anti-Gangs Justice Sector Security Training, San Salvador, El Salvador

September-01 Southern Border Multinational Arms Trafficking Working Level Strategy Session, 150 participants, Tapachula, Mexico

September-21 Northern Border Bi-national Arms Trafficking Working Level Strategy Session, 150 participants, San Antonio, Texas

FEELEY

**Signature:**

**Info:**

ONDCP WASHINGTON DC, DIR,ROUTINE ; DEPT OF TREASURY WASHINGTON DC,ROUTINE ;  
 DEPT OF JUSTICE WASHINGTON DC,ROUTINE ; FBI WASHINGTON DC,ROUTINE ; HQS WASHINGTON DC, DEA,  
 ROUTINE ; BATF WASHINGTON DC,ROUTINE ; NAT DRUG INTEL CTR JOHNSTOWN PA,ROUTINE ;  
 EPIC EL PASO TX,ROUTINE ; WASHINGTON DC, SECDEF,ROUTINE ; JOINT STAFF WASHINGTON DC,ROUTINE ;  
 HQ USNORTHCOM,ROUTINE ; HQ USSOUTHCOM MIAMI FL,ROUTINE ;  
 DEPT OF HOMELAND SECURITY WASHINGTON DC,ROUTINE ;

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US CUSTOMS AND BORDER PRO WASHINGTON DC,*ROUTINE* ; ALL US CONSULATES IN MEXICO COLLECTIVE,  
; WHA CENTRAL AMERICAN COLLECTIVE,*ROUTINE*

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RELEASED IN PART B7(E),B2,B6

**From:** svcsmartmfi  
**Sent:** 9/15/2009 5:10:18 PM  
**To:** SMART Core  
**Subject:** NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR AUGUST 2009

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**MRN:** 09 MEXICO 2708  
**Date/DTG:** Sep 15, 2009 / 152137Z SEP 09  
**From:** AMEMBASSY MEXICO  
**Action:** WASHDC, SECSTATE, ROUTINE  
**E.O.:** 12958  
**TAGS:** SNAR, KCRM, KJUS, PGOV, PREL, MX  
**Captions:** SENSITIVE  
**Sensitivity:** Sensitive  
**Pass Line:** STATE FOR INL AND WHA/MEX  
TREASURY FOR ENFORCEMENT SECRETARY  
DOJ FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN  
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:** NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR AUGUST 2009

UNCLAS MEXICO 002708

SENSITIVE

STATE FOR INL AND WHA/MEX  
TREASURY FOR ENFORCEMENT SECRETARY  
DOJ FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN  
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

E.O. 12958: N/A  
TAGS: SNAR, KCRM, KJUS, PGOV, PREL, MX  
SUBJECT: NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR AUGUST 2009

REF MEXICO 2669  
REF MEXICO 2461

1. (U) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED

ISSUES FOR WASHINGTON

REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer

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2. (SBU) NAS has the following issues for Washington attention:

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-- IAAs: Still need some attention to the various IAAs that are still pending with other agencies.

-- BILATERAL IMPLEMENTATION OFFICE: GOM officials will need oxygen when they find out this project could now take until March-June to complete; they thought December was too long for this highly symbolic and highly useful arrangement where we would sit side by side implementing Merida. If the latter date is where we end up that would be nearly one half of the initial three year Merida program just to get an office. We have found that at every stage of the project we have fairly lengthy drift. We strongly recommend someone in Washington take on the task of eliminating such drift, and that we collectively look for ways to move this project faster, squeezing some of what appear to be unreasonable gaps.

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PROJECTS OFF TRACK  
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3. (SBU) The following Merida projects are stalled for reasons listed (action varies; some are in DF and some DC):

-- RENADIC (Demand Reduction): This project has been stalled due to lack of information needed from the GOM (CONADIC). NOBLIS team provided their recommendations and an acquisition strategy in mid-June, but cannot move forward until certain information regarding set-up, providers and installations are provided. NAS has discussed next steps with CONADIC and NOBLIS and were able to solidify a way forward on initiating the connection of all the Nueva Vida Centers (NVC) across Mexico. In order not to fall further behind, CONADIC will identify twenty (20) NVC in the D.F. area to be part of a pilot phase. Once necessary information is received from CONADIC, NOBLIS will be able to begin the acquisition of hardware needed to connect all the centers.

-- NIIE: The losing contractor has filed a protest. The first four RAPISCAN trucks were to have reached the US/Mexican border in late December 2009, but this date is in jeopardy until lawyers resolve the protest.

-- CISEN Technical Enhancements Project: A final determination of equipment purchase has been delayed due to slow requirement gathering from CISEN.

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-- OASSIS: Waiting for a US-Mexico Memorandum of Understanding (MOU) to be drafted and approved.

-- Administration of Justice: All projects stalled pending arrival of personnel.

-- Citizen Participation Councils: Pending IAA between State and AID.

--Vetted Units: Pending clarity in which units to set up and what they need to be effective.

-- INAMI Rescue Units: Pending clarity on who can perform training and when it will be conducted.

-- Canine Program: Pending clarity on where to conduct training. Issues with IAA between State and CBP.

#### INTERNAL DEVELOPMENTS

4. (SBU) INCREASING VIOLENCE: During the month of August, media sources reported 748 murders attributed to organized crime with 326 occurring in Ciudad Juarez alone. August 17 recorded the most violent day of 2009 with a total of 57 deaths. Thirty-five police and military officers were among the dead, including a federal officer investigating the murder of a Ciudad Juarez reporter. The federal agent was the second investigator of the November 2008 case to be murdered.

5. (SBU) Acts of violence perpetrated against the media in Mexico continue to draw outrage and concern. So far this year five journalists have been murdered and 142 reports of intimidation have been filed. In August, armed men attacked the facilities of a Torreon, Coahuila newspaper with automatic weapons causing minor property damage.

6. (SBU) PUBLIC PERCEPTION: Two recent polls on the climate of security in Mexico carried out by Mexico Unido Contra la Delincuencia (MUCD), Mexican Universities, and NGOs reveal an overall panorama of fear and anxiety among the Mexican public. The majority of the 70,000 individuals polled for the Sixth National Survey on Security (ENSI-6) mentioned they have altered habits due to perceived security threats (i.e. allowing children to go out, wearing jewelry, taking taxis). Two of three Mexicans consider the situation worse than a year ago (Mitofsky). Both studies show fewer individuals reporting crimes to authorities while the ENSI-6 also revealed that 39% consider reporting crimes a waste of time.

7. (SBU) TAKING STOCK: In the midst of this continuing violence, GOM AG Medina Mora and others have sought to put the level of insecurity in context, arguing that conditions overall are actually better than 15 years ago, based on the total number of homicides nationwide per 100,000 inhabitants (vs. just the organized crime related deaths). This explanation is part of a larger campaign to show progress at the one-year anniversary of the "National Agreement for Security, Justice, and Rule of Law," a 75-point plan that set tangible goals for federal, state and local governments (MEXICO 2669), and to put the first half of the sexenio in perspective. GOM Secretary of Governance Fernando Gomez Mont touted progress during the period citing the rescue of 970 kidnapping victims, the arrest of 1,449 of their suspected perpetrators and the disbanding of 203 criminal groups. He also mentioned that the federal budget for public

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security increased by 44% compared to 2008. NGOs took a markedly different posture, giving the administration a failing grade on its first year "progress report". NGO MUCD president commented that the agreement "has been reduced to an administrative priority", rather than the intended structural overhaul. Businessman and father of

kidnapping victim Alejandro Marti also lashed out at the lack of progress repeating his catchphrase for public officials "if you can't deliver, resign".

8. (SBU) Public Security (SSP) Secretary Garcia Luna defended the current strategy against organized crime pointing out that similar efforts were successful in U.S. and European cities within a timeframe of 3-6 years. He further commented that coordination of local and federal policies, improved relations between communities and law enforcement, and international agreements were keys to their success. The Secretary also mentioned increased consumption of illicit drugs within Mexico as another hurdle to be addressed. According to Secretary Luna, Mexico consumes annually 343 metric tons of marijuana, 8.4 metric tons of cocaine, 2.5 metric tons of heroin, as well as 3160 kilograms of methamphetamines and 400 kilograms of ecstasy.

9. (SBU) ANTI-CORRUPTION: In their evaluation of progress on the National Agreement, NGOs gave the Calderon administration recognition for partial progress in purging security and law enforcement institutions. August saw a bold attempt to continue to meet this key goal with the GOM decision not to renew the expiring contract of its Fiscales (the armed enforcement element of Mexican Customs). Backed by a temporary deployment of military personnel, 722 members of the Fiscales (the entire armed work force) were relieved of their responsibilities and replaced by 1400 newly trained and vetted agents. While the transition appears sudden, Mexican Customs had been working for months to train, vet, and polygraph a corps of replacement agents. (MEXICO 2461)

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INTERDICTION  
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10. (SBU)

major seizures in August:

--August 2 - Mexico City International Airport: Seizure of approximately 391 kilograms of cocaine.

--August 2 - Queretaro, Queretaro: Federal Police seized approximately 109 kilograms of cocaine secreted aboard a passenger bus.

--August 4 - Ciudad Juarez, Chihuahua: Military forces seized over 400 kilograms of marijuana thanks to anonymous tips.

--August 4 - Culiacan, Sinaloa: AFI agents detained two women carrying 1.4 kilograms of heroin en route to Tijuana, Baja California.

--August 8 - Tamazula, Durango: Seizure of a 590 acre super laboratory used for methamphetamine production. Over five tons of marijuana and 60 military uniforms were also discovered on the premises.

--August 8 - Agua Prieta, Sonora: Seizure of approximately 6,480 kilograms of marijuana, two tractor trailers and arrest of two

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individuals at a Military check point.

--August 9 - Tocombo, Michoacan: Military forces discovered and seized a clandestine methamphetamine laboratory.

--August 9 - Agua Prieta, Sonora: Military forces seized 6.4 tons of marijuana secreted aboard a tractor trailer.

--August 10 - Navolato, Sinaloa: Military forces discovered and seized a clandestine methamphetamine laboratory along with 39.5 kilograms of suspected methamphetamine.

--August 15 - Rancherías Tamaulipas: Military forces discovered 519 kilograms of marijuana hidden in a local cemetery.

--August 23 - Uruapan, Michoacan: Military forces discovered 99.7 kilograms of "crystal meth" using GT-200 ion scanners.

--August 25 - Atengo, Jalisco: Seizure of a methamphetamine laboratory and 5 arrests.

--August 26 - Mexico City International Airport: NAS-donated ZBV NIIIE equipment assisted in the detection of 445 kilograms of cocaine en route from Panama.

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MERIDA INITIATIVE  
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11. (SBU) The second Merida Initiative Arms Trafficking Working group meeting was hosted August 5 in Mexico City, by the GOM Technical Secretary of the Arms Trafficking Working Group Avigai Tirado and NAS Director Keith Mines. Representatives from DOS/NAS, DOJ/ATF, DEA, FBI, DHS/CBP, ICE and DOD/ODC met with counterparts from Presidencia, SRE, SEDENA, SEMAR, SSP, AGA, PGR/CENAPI and CISEN. The focus of the meeting was on the establishment of tracing protocol, tracking mechanism, and upcoming strategy sessions in Tapachula and Phoenix (proposed change from San Antonio).

12. (SBU) NAS Deputy Director attended the Border Enforcement Security Task-Force (BEST) Conference in San Antonio August 10 -12. BESTs are interagency (cross border) law enforcement teams working at various US points of entry. DHS used the event to announce the creation of a BEST in Mexico and to sign a Letter of Intent with the Mexican Attorney General (PGR) to improve cooperation against illegal arms and ammunition shipments from the US to Mexico. DHS Assistant Secretary Bersin indicated a shift in policy to reduce the focus on building prosecutable cases and instead step up interdiction efforts as a way to disrupt DTO activities through seizures of cash and illegal drugs.

13. (SBU) We have arrived at an agreement on the Value Added Tax (VAT) refund issue with the SRE and Secretaria de Hacienda y Crédito Público (SCHP). The agreement will allow equipment to enter Mexico tax and duty free and for sub-contractors to have the tax they pay refunded to the Embassy where it will be redirected back into the respective projects. Elements of the agreement remain to be tested but it appears to be a sound arrangement.

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PROFESSIONALIZATION AND TRAINING  
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14. (SBU) The U.S. led training of up to 10,000 new Federal Police

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Investigators continues in San Luis Potosi, with new Mexican cadets arriving weekly as other blocks of cadets graduate weekly from the five week Basic Investigations Course. The international instructor team consists of US Federal Law Enforcement, US State and Local police, Colombian National Police, and Spanish instructors in the current phase. Assistant Secretary INL David Johnson observed the training in San Luis Potosi during his recent visit to Mexico.

15. (SBU) The SSP Mid-Level Officers course has begun at the Justo Sierra University in Mexico City. Two hundred mid-level officers are receiving a variety of management, leadership, and technical classes. The international portion of the course will consist of one week of instruction in different topics by Canada, Colombia and the United States. The US topics are Arms Trafficking (ATF, ICE and DOJ), Intelligence (DEA), Cybercrime (ATA with USSS and ICE), Police Management (FBI) and Forensics and Technology (INL/CIV). The US week is 19-23 October.

16. (SBU) The SSP Senior Executive course was inaugurated on 7 September, also at Justo Sierra University. This course is for the 32 senior federal security officers in each Mexican state (plus the Federal District) and up to 28 other senior officers. The class will travel to Colombia on 12 September for three weeks training with the Colombian National Police, before returning to Mexico. US training will begin on 12 October in Mexico City, prior to three weeks of training at the FBI Academy (Quantico, VA, 19 October - 6 November). The class will then travel to Canada for three weeks training with the RCMP.

#### ----- CORRECTIONS SYSTEMS REFORM PROJECT -----

17. (SBU) The first Corrections Officer class finished Phase II of their training and returned to the National Academy for the official graduation August 14. The second and third classes (102 correction officers and 58 technical officers) completed training at the Academy and started their 6 week in-service phase. It is important to note that SSP is not meeting their recruiting quotas for new hire custodial staff. Their goal for this year was 1000 new recruits and they currently have graduated 218 with 46 in the current Academy class. This is one of our most successful programs from the perspective of training trainers who will perpetuate the program when we pull back.

18. (SBU) SSO has agreed to host other Latin American countries at the National Penitentiary Academy. They are also going to begin training staff from various states. It is anticipated to begin in the later part of October 2009. Graduation for the Mexican staff attending the New Mexico Corrections Academy (NMCA) occurred on September 3. The next group of technical staff to receive training on classification and case management from the Colorado Department of Corrections will begin September 14, 2009.

#### ----- NON-INTRUSIVE INSPECTION EQUIPMENT -----

19. (SBU) NAS delivered five (5) ZBC Backscatter X-Ray vans to the SSP in Mexico City on August 25. Each ZBV is accompanied by a Forward Scatter Trailer, which allows the ZBV to be operated in a stationary mode as passing private and small commercial vehicles are targeted, as well as slowly passing by fixed targets, such as buildings near the street. In both modes, the ZBV's x-ray energy

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source will detect anomalies that could detect such contraband as weapons with organic parts, drugs, explosives, chemicals, and laundered money. These ten pieces of NIE (5 vans and 5 trailers) represent USD 4,665,385 in FY 08 Supplemental Merida Initiative funds. From the arrival at the US Logistics Center in Brownsville, TX on June 19, it took exactly two months and one week to import the five ZBVs to Mexico on August 27. This is an improvement over the four months that ten of these same vehicles required last year for entry.

20. (SBU) US manufacturer Science Applications International Corp (SAIC) filed a protest with GSA on August 14 against the USG Purchase Order won by US manufacturer Rapiscan on August 7 to provide 19 mobile gamma radiation trucks to SSP (18) and SEDENA (1). The first four RAPISCAN trucks were to have reached the US/Mexican border in late December 2009, but this delivery date is in jeopardy until lawyers for both companies and the DOS resolve the protest.

21. (SBU) The USG (RPSO) signed a Purchase Order on August 20 with Astrophysics to provide 10 X-Ray minivans to the SSP. The units will be delivered in pairs beginning in early October 2009, with all 10 minivans arriving at the border by mid-November. The procurement totals USD 1,238,000 from FY-08 Supplemental Merida Initiative funds.

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IT PROGRAMS  
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22. (SBU) INAMI: The Mexican Immigration Service (INM) project for issuance of biographic and biometrical identification credential (migratory form) for frequent visitors and temporary workers on the Mexico Guatemala border began in June, starting at three points on Mexico's southern border (Ciudad Hidalgo, Talisman, and El Ceibo). Procurement of biometric equipment is complete. Partial delivery of equipment has taken place. Additional equipment awaiting customs release. Complete equipment delivery is expected to take place 4 weeks ahead of schedule (6th of September, 2009). Fully operational sites are expected by early November, 2009. Project Cost: \$4,500,000

23. (SBU) SIOM: The Mexican database for the INM System for Immigration Operations (SIOM) project is underway with the review of GOM requirements. An accepted and final procurement file is expected to be in place by the end of September, 2009. Phase 1 of SIOM re-engineering is expected to be delivered late March, 2010. Expected Project Cost: \$9,000,000

24. (SBU) CISEN Technical Enhancements: Project is in the requirements review stage. A final determination of equipment purchase has been delayed due to slow requirement gathering from CISEN. This project will provide a major revamping of CISEN telecommunications systems, and will better integrate information captured from entry points by the Mexican Immigration Service (INM) as well as allow for rapid data retrieval and analyses, including link analysis capabilities. Partial delivery of equipment is expected to take place in early December, 2009. Expected Project Cost: \$8,000,000

25. (SBU) SCT: In July NAS completed documentation to support acquisition of over \$14,000,000 worth of satellite communication ground station terminals to provide a redundancy in infrastructure to support its sole satellite-based secure mobile telecommunications

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network for national security agencies and to provide for the design of the next generation of Mexico's secure telecommunications network. Efforts continue in the final stages of negotiation between the NAS and the Department's Regional Procurement Support Office (RPSO), focused on the specified deliverables and design of the new satellite system and the use of different frequency bands to accommodate the needs of the Secretary of Defense, Secretary of the Navy, and Secretary of Public Security. We expect the contract will be concluded in September. The Department's Bureau of Economic, Energy, and Business Affairs has assisted this effort in discussions with SCT as to the frequency allocation. The Merida Initiative funded portion of the project will be completed in twelve months.

26. (SBU) PGR OASISS: Given the execution of the second extension to the current contract to 30 November 2009 to allow additional time for a US-Mexico Memorandum of Understanding (MOU) to be drafted and approved and to allow more time for the OASISS application developer to make the necessary software changes that result from the MOU negotiations, work is now proceeding on the follow-on contract for the enhanced OASISS system. The PGR OASISS IT staff is anxious to get this application out to the border.

27. (SBU) PGR-CONSTANZA: Contract negotiations continue for the prime contractor to support the PGR's transition to a consolidated digitized paperless system in order to provide transparency, accountability, and efficiency to Mexico's judicial system. Project Constanza depends on the successful deployment, implementation, acceptance and use of sophisticated technical information management systems by all prosecutors with an initial focus at the federal level. The contract should be underway in September and software deliveries will begin in October. (USD 18M)

28. (SBU) SSP: The SSP's National Command and Control Center, or "the Bunker" is scheduled to have an initial operating capability in September - October 2009. Presently, NAS is providing technical assistance to SSP to build a large screen display system (video wall)

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CANINES  
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29. (SBU) On July 27, six canine handlers from the Estado Mayor and the PGR have begun their 10-week Basic Explosive Detection Course in Front Royal, Virginia. While monitored by ATF trainers, they are being trained by two PGR/AFI Canine trainers who have successfully completed the 6-week "train-the-trainer" course. This is AFI's first experience with professionally training for explosives detection and ATF is highly impressed with their performance. This also marks the first true interagency coordination for canine training. Graduation will be October 2.

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AVIATION PROGRAM  
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30. (SBU) Northrop Grumman has been selected to provide Black Hawk, NVG, and mission training to SSP pilots. Both NAS and SSP agreed on the recommendation provided by CNTPO. The contract is for one year

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and will train up to thirty (30) pilots and sixty (60) non-rated crew members in Mexico utilizing SSP aircraft.

31. (SBU) NAS and SSP held several meetings sorting out specific mission requirements for aircraft being provided under the Merida Initiative. The helicopter and ISR (Intelligence, Surveillance and Reconnaissance) platforms have been resolved. Three UH-60M Black Hawks will be delivered by the end of the year and beginning of next year. The ISR platform and sensor/communications requirements have been established and INL/A will provide their recommendations shortly. The cargo aircraft has been problematical because of the possibility of a long lead time for delivery. Although the SSP has serious requirements for a cargo aircraft, an important concern is to show as many positive results as possible before the end of this administration at the end of 2012. Therefore, Secretary of Public Security Garcia Luna has indicated that he would prefer more UH-60Ms instead of the cargo aircraft if they can be delivered sooner. Delivery times of additional Black Hawks are being investigated.

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DEMAND REDUCTION  
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32. (SBU)INL sponsored Drug Court Training course in Monterrey from August 18-21. Over forty (40) participants attended the training session, including judges, prosecutors, defense attorneys, police and treatment professionals. Supported by ONDCP, experts from the US provided Mexican participants with training on the best practices of US drug courts. Monterrey is planning to launch Mexico's first ever drug court on September 18, 2009. Monterrey's pilot program will then serve as a model for other Mexican states who have expressed an interest in creating their own drug courts. With the Narcomenudeo Law signed into law this month, there is a new sense of urgency to continue moving this project forward.

33. (SBU) The Second Open Forum with NGOs and civil society was hosted by the Secretary of Government (SEGOB) and the Secretary of Foreign Relations (SRE) on August 6 to discuss Merida programming

and implementation. Representatives from NAS, USAID and other sections of the Embassy, and the National Council Against Addictions (CONADIC) were in attendance. Topics related to Merida, such as drug addiction, security, human rights, justice reform, and organized crime were discussed with the intent of improving GOM dialogue with civil society on Merida Initiative topics and to better understand civil society perspectives on the topic.

34. (SBU) CICAD formally accepted a pledge of USD 2.8 million of Merida funding to begin working with CONADIC and its partners to implement the drug counselors and certification project in Mexico. The purpose of this project is to provide a training and certification process for drug treatment counselors. Currently, most Mexican drug treatment programs are staffed by personnel with low education levels, limited training and basic managerial and leadership skills. CICAD will strengthen the national accreditation board of Mexico and certify substance abuse counselors country wide.

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JUDICIAL PROGRAMS  
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35. (SBU) On July 30, USAID concluded the month-long anti-kidnapping and anti-extortion training course under the new criminal justice

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system for 38 state officials by the Colombian National Police in Tijuana, Baja California Norte. The state Attorney General Office's Anti-Kidnapping unit also received additional technical assistance through the shadowing of officers by Colombian experts. The same course continues for the Federal Police (SSP) through the middle of August to train 45 members of SSP's Anti-Kidnapping Unit.

36. (SBU) USAID concluded Alternative Justice Seminar in Morelos to support the implementation of the justice reforms in support of USAID's program for Pre-Trial Case Resolution Alternatives. Thirty members of the state AG's received training for practical application on alternative justice practices, including mediation, conciliation, and restorative justice.

37. (SBU) NAS and FBI took a delegation from the PGR to Washington, D.C. The PGR delegation included high level officials including the head of the new Policia Federal Ministerial (PFM) as well as officials in charge of the PFM training academy and PGR professional development and career planning. The PGR delegation attended briefings at FBI Headquarters and the FBI Academy in Quantico, Va. Given that the new PFM is facing a complete rebuilding process, this was a timely opportunity for PGR officials to learn the fundamentals of the FBI recruitment, training and professional development system. The PGR is planning to construct a new academy for PFM basic training outside of Mexico City due to severe space constraints at the current facility within the city. The academy officials got a first-hand look at Quantico and professional advice and information on the critical elements of constructing an academy that will serve the long term needs of the PFM.

#### INTERNAL CONTROLS PROGRAMS

38. (SBU) The Control de Confianza Project is underway with a final determination of polygraph equipment per agency. Delivery and importation concerns have been addressed. Expected delivery date for all polygraph equipment is 18 December, 2009. Project cost: \$2,500,000.

#### CULTURE OF LAWFULNESS/CITIZEN PARTICIPATION COUNCILS

39. USAID has begun work to initiate the Citizen Participation

Council's (CPC) national campaign to strengthen citizen participation and other civil society oversight mechanisms for improved administration of justice and government response. The campaign will raise awareness on the functions of the government justice institutions and role of the CPCs.

40. (SBU) Public Security officials in Nuevo Leon and Baja California continued to promote the proposed Regional Culture of Lawfulness (COL) Police Initiative. The Baja governor has drafted a resolution calling for this COL education and it will be considered at the upcoming Border Governors Conference in Monterrey.

#### MANAGEMENT

41. (SBU) OBO contractor EYP has completed the 35% design for the

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265 Reforma annex and is slated to complete the 100% design by late-October. OBO has provided a notional schedule that puts completion April 1, 2010 at the soonest, and July 1 at the latest. INL, NAS-Mexico, and OBO should discuss the possibly of an expedited schedule as soon as possible.

42. (U) PSC Financial Management Advisor [REDACTED] arrived September 4, bringing over four years of NAS Financial Management experience from NAS-Bogota. PSC Logistics Advisor [REDACTED] is scheduled to arrive in mid-October, which will substantially complete the build-up of the Management platform.

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CALENDAR  
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14 Sep - Merida Bilateral Implementation Meeting

8-10 Sep - Mexican Law Enforcement Reps. to visit IRS-CI Trial Illustration in Kentucky.

14 Sep - Expected delivery of biometric equipment and software at the INAMI

16-18 Sep - OMB Visit on Merida Initiative

16 Sep - Mexican Independence Day

21-23 Sep - Mission Mexico Principal Officers' Conference - South Padre Island, TX

22 Sep - Arms Trafficking Strategy Session Northern border, Phoenix

23-25 Sep - International Addictions Conference (Mexico City)

23-25 Sep - Border Consuls Meeting

28 Sep - Merida High Level Meetings at UNGA

28 Sep - Expected start date for "train the trainer" course of INAMI administrators

1 Oct - CICAD Demand Reduction Group Meeting (SRE).

11-16 Oct - VolVis Program for prosecutors (INACIPE to Columbia, S.C.)

12 October - SSP Senior Leader Course begins in Quantico (60 leaders)

19 October - SSP Mid-Level Leaders Course begins in Mexico (200 leaders)

19 October - Arms Trafficking Strategy Session Southern Border, Tapachula

25-31 October - VolVis Program on TIP, Wash DC, 8 Jalisco Mayors

27-29 October - State INL Aviation Planning Conference

2 November - All souls Day

16 November - Mexican Revolution

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December (t) - Arrival of first Merida helo's  
February 2010 (t) - High Level Merida Meeting (Mexico City)

PASCUAL

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	CTME-00	DOTE-00	WHA-00	PDI-00	DS-00	MEDE-00	OIGO-00
	FAAE-00	FBIE-00	UTED-00	VCI-00	FRB-00	H-00	TEDE-00
	INR-00	IO-00	JUSE-00	LAB-01	L-00	MOFM-00	MOF-00
	CDC-00	VCIE-00	DCP-00	NSAE-00	ISN-00	NIMA-00	EPAU-00
	CAEX-00	PER-00	GIWI-00	ISNE-00	SP-00	IRM-00	SSO-00
	SS-00	NCTC-00	ASDS-00	FMP-00	R-00	EPAE-00	SCRS-00
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DEPT OF TREASURY WASHINGTON DC  
DEPT OF JUSTICE WASHINGTON DC  
FBI WASHINGTON DC  
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SECDEF WASHINGTON DC  
JOINT STAFF WASHINGTON DC  
HQ USSOUTHCOM MIAMI FL  
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ALL US CONSULATES IN MEXICO COLLECTIVE  
WHA CENTRAL AMERICAN COLLECTIVE

UNCLAS MEXICO 003191

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SENSITIVE

STATE FOR INL AND WHA/MEX  
TREASURY FOR ENFORCEMENT SECRETARY  
DOJ FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN  
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

E.O. 12958: N/A

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

SUBJECT: MEXICO MERIDA SPOT REPORT #31: SEVENTH BILATERAL  
IMPLEMENTATION MEETING

1. (SBU) SUMMARY: GOM hosted the seventh Merida Mexico Bilateral Implementation Meeting in Mexico City November 3, co-chaired by SRE Deputy Secretary for North America Julian Ventura Valero, SRE Merida Coordinator Benito Andion, Deputy Chief of Mission John Feeley, and NAS Director Keith Mines. Combined attendance was over 60 and included senior officials from all relevant GOM agencies including

**REVIEW AUTHORITY: Adolph Eisner, Senior Reviewer**



2. (SBU) Key issues raised during the meeting were:  
-- In addition to the common refrain about the slow pace of  
delivery, the GOM expressed frustration with the erratic delivery  
schedule due to our contracting process which makes planning,  
budgeting and arranging for their inputs to projects difficult.  
--Luis Estrada has been named the new public affairs coordinator for  
Merida, and the GOM expressed interest in developing a joint media  
strategy to publicize Merida Initiative deliveries and training.  
Follow up meeting with Dr. Estrada was very encouraging.  
--The GOM agreed to establish a Money Laundering Working Group.  
--U.S. side pressed GOM counterparts to develop their requirements  
for FY2009 funding so that when the funding is apportioned we can  
quickly begin with implementation.  
--The next Bilateral Implementation meeting was set for December 2,  
2009.

3. (SBU) The GOM stressed the importance of the following key Merida  
projects:

- Manuals for law enforcement training.
- A virtual academy/distance learning to expand the reach of the  
training underway at San Luis Potosi.
- Polygraph equipment.
- Justicia Efectiva Para Todos (PGR case tracking system - formerly  
Project Constanza).
- The configuration and delivery of CASA aircraft.

End summary.

#### SEVENTH BILATERAL IMPLEMENTATION MEETING

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4. (SBU) The seventh Merida Mexico Bilateral Implementation Meeting  
took place in Mexico City on November 3, co-chaired by SRE's Deputy  
Secretary for North America Julian Ventura Valero, SRE Merida  
Coordinator Benito Andion, Deputy Chief of Mission John Feeley, and  
NAS Director Keith Mines. Participation in the meeting was extremely  
robust and fairly senior (included were several Directors General,  
the Official Mayor of the PGR, and an Under-Secretary), evincing a  
continuing, even growing interest on the part of GOM agencies in the  
Merida Initiative and in bilateral law enforcement cooperation with  
the United States. GOM representation included the Technical  
Secretariat of the National Security Council, the Secretariat of  
Foreign Relations (SRE), the Secretariat of Government, the Attorney  
General's office (PGR), the National Institute for Immigration  
(INAMI), the Center for National Security Investigations, the  
Secretariat of National Defense (SEDENA), the Secretariat of the  
Navy (SEMAR), the Secretariat of Public Security (SSP), Customs

5. (SBU) Attending for the first time was Carlos Nataren Nandayapa, chief advisor for SeTec, the Technical Secretariat for Judicial Reform. SeTec is responsible for overseeing the reforms necessary to transition from a written inquisitorial system to an oral accusatorial system. Most importantly, this effort involves drafting a new Penal Code and Code of Criminal Procedure. This is a key player on judicial reform that has not to date been involved in Merida.

6. (SBU) Deputy Secretary Ventura GOM made opening remarks, underscoring the need to identify obstacles to continued progress on rapid delivery of Merida programs and equipment. DCM John Feeley drew attention to recent high level meetings in Washington, expressing thanks to the GOM for the 11 extraditions that took place November 1, and praising the progress of investigator training at

San Luis Potosi which has been in the international press of late.  
GOM EXPRESSES CONCERN ABOUT ERRATIC ARRIVALS  
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7. (SBU) SRE Ambassador Benito Andion led the delegation through an update of progress on special working groups and Merida projects. Several times throughout the meeting the GOM expressed dismay at the pace of deliveries, and especially the inability to plan with any precision for the delivery of equipment. One agency rep told how our input was but one part of a large and complicated project which needed to be synchronized in order to have all the right pieces in place at the right time. The fact that we could not commit, even within months, to a delivery date, made planning nearly impossible and wrecked havoc on their budgeting process.

SPECIAL WORKING GROUPS  
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8. (SBU) The group discussed the work of the following special working groups:

-- Baselines and Metrics: NAS Director promised a final copy of the measures of strategic effectiveness early week of November 9. He proposed that a first informal bilateral review of the measures of effectiveness be made in January or February. SRE Deputy Secretary Ventura agreed to this proposal.

-- Public Affairs Strategy: GOM announced that public affairs for Merida would now fall under SEGOB Director of Social Communications Dr. Luis Estrada. NAS Director and PA Minister Counselor met with Estrada later in the week and found him very focused on getting the message that Merida is delivering to the public, and doing more to positively "brand" the Merida Initiative. We discussed the use of major and minor deliveries, background notes, better use of websites, and a new logo to improve the Merida image and show

UNCLASSIFIED U.S. Department of State Case No. F-2010-03406 Doc No. C17520455 Date: 07/20/2012  
results. An inter-agency meeting is planned for week of November 9 to ensure all agencies are involved when they have Merida deliveries. DCM Feeley stressed that this was a high priority for the USG.

-- Importation Bottlenecks: Customs rep commented that protocols had been implemented to facilitate importation but there are still some procedural issues to work out. NAS Director agreed that the system was functioning well and thanked the GOM for its cooperation on this issue.

-- Bilateral Implementation Office: Planning is finished and construction will begin when the contract is signed, with an anticipated completion date of March 31, 2010.

-- Arms Trafficking Working Group: The group continues to meet to track progress on the Arms Trafficking work plan. The GOM commented on the need to study the origin of grenade and grenade-making components to determine if they are coming from the United States.

--Money Laundering: The GOM expressed interest in establishing a multi-agency Money Laundering Working Group similar to the Arms Trafficking Working Group. The GOM also requested money laundering experts to help analyze money laundering cases in Mexico.

--New Project Tracking System: The GOM briefed on a new project-tracking system that will be in operation before the November 2 Bilateral Meeting.

#### KEY POINTS FROM IMPLEMENTATION WORKING GROUPS

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#### 9. (U) Program I - Law Enforcement Professionalization

-- The GOM stressed the importance of the new project to produce manuals for all their various offices and divisions, emphasizing that this is a key element to reinforcing the training that new investigators have received in San Luis and elsewhere, and will help

to disseminate reforms down to the states while standardizing police practices throughout the country.

--The GOM requested help from USAID in establishing a virtual academy so that the type of training now underway in San Luis Potosi can be disseminated throughout the country in multiple locations. Given the numbers of officers to be trained and the complexity of programs, they stressed that this is a priority.

#### 10. (U) Program II - Justice Sector

-- The GOM expressed frustration at lengthy delays in delivery of \$2.5 million in polygraph equipment due to contracting issues. The GOM commented that discussions are underway to establish a National Academy of Polygraphers.

--The GOM also expressed frustration that delays in delivery of fingerprint equipment have hindered their efforts to proceed with the National Police Registry program.

--DOJ reported that the Evidence Preservation and Chain of Custody program is still delayed due to staffing gaps; DOJ estimates

-- PGR requested our IT and technical assistance in developing a viable human resources system, a development that will boost to their ability to attract, retain, and motivate personnel.

11. (U) Program III - Information Management Technology Enhancement

-- Equipment contracting for the technical enhancements for CISEN is still under way; the process has been slow due to the need to analyze CISEN's extremely detailed requirements. The GOM commented again on its frustration with the pace of deliveries and the urgent need to establish a delivery calendar for equipment, emphasizing that delivery delays are impeding their ability to proceed with planning and especially budgeting.

12. (U) Program IV - Financial Crimes

--Contracting is underway in Financial Intelligence Unit modernization project; equipment deliveries are expected to begin in April, 2010. The asset forfeiture project has been delayed by a staffing gap.

13. (U) Program V - Non-Intrusive Inspection Equipment (NIIE)

--Procurement for mobile gamma ray NIIE for SSP and SEDENA has been delayed by a competitor protest filed August 14.

--AGA/SAT: NIIE (X-ray and gamma ray): SAT's purchase request for 5 X-ray minivans was cancelled; SSP increased its order from 5 to 10 units. The purchase order was signed August 20; deliveries to the border began in October and will continue throughout November. Solicitations for installed gamma radiation units are pending.

-- Five ZBV vans were delivered to SSP in Mexico City on August 27.

--Thirty ION scanners were delivered to SEDENA on September 24.

14. (U) Program VI - Aviation

-- SEMAR expressed concerns about the configuration and delivery of the CASA aircraft.

--Five Bell412 EP helicopters will be delivered in December.

15. (U) Program VII - Demand Reduction

-- RENADIC project delivery is anticipated in December.

16. (U) Program VIII - Culture of Lawfulness

--Grant is completed, project is underway, and 3,000 cadets are expected to have been enrolled in the SSP course by the end of 2009.

17. (U) Project IX - Human Rights Office

--A round table discussion on the role of the state in protecting freedom of speech was held on October 28.

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RELEASED IN PART B5

**From:** Reichert, Amy (Mexico City)  
**Sent:** 12/4/2010 5:05:59 PM  
**To:** SMART Core  
**Subject:** MOVING MERIDA FASTER

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**MRN:** 10 MEXICO 5462  
**Date/DTG:** Dec 04, 2010 / 042203Z DEC 10  
**From:** AMEMBASSY MEXICO  
**Action:** WASHDC, SECSTATE ROUTINE  
**E.O.:** 13526  
**TAGS:** SNAR, KCRM, KJUS, PGOV, PREL, MX  
**Captions:** SENSITIVE  
**Pass Line:** STATE FOR D, INL A/S, AND WHA A/S  
**Subject:** MOVING MERIDA FASTER

1. SUMMARY: As violence continues to worsen in Mexico, Mexico's interagency team has sought new ways to accelerate implementation of Merida Initiative projects and reduce the pipeline of unspent funds. While the reasons for implementation delays are varied and complex - and many of them out of Mission Mexico's control - nevertheless there are several ways in which Merida programs could move faster to help Mexico curtail the violence and reestablish the rule of law. These include

END SUMMARY

2. On March 23, 2010, Secretary Clinton, Secretary Gates, and Secretary Napolitano led a broad interagency delegation to Mexico that took stock of the deteriorating security situation and pledged to accelerate implementation of Merida Initiative assistance to Mexico, among other actions. Similarly, the October 26-27 visit of Deputy Secretary Steinberg to Mexico brought into sharp focus Washington's and the GOM's continued frustration with the speed of implementation of Merida initiative programs. This cable offers post's views on how we could collectively accelerate the pace of Merida Initiative spending and project implementation in support of the Government of Mexico's efforts to build stronger institutions and

REVIEW AUTHORITY: Alan Flanigan, Senior Reviewer

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restore the rule of law.

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THE PIPELINE  
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3. As of November 11, 2010, the monetary value of Merida programs and equipment delivered was approximately \$310 million, or 23 percent of the total \$1.324 billion appropriated thus far. This figure will grow to \$350 million or 26% by the end of the year. This large pipeline is primarily a result of four appropriations (FY2008 - \$400 million; FY2009 - \$300 million; FY2009 Supplemental - \$420 million; and FY2010 - \$204.25 million) becoming available in 20 months (December 2008 to August 2010). (Note: the FY2010 Supplemental of \$175 million is not yet available for spending but will raise the total Merida appropriations in the coming months to just under \$1.5 billion).

4. Deliveries to date have been significant and generally complicated. By year's end equipment deliveries will include some 11 helicopters in four deliveries for the Mexican Army and Federal Police, over 25 non-intrusive inspection vehicles and static systems, a new case tracking system in the Attorney General's office, biometric readers for the immigration system, polygraph machines for all agencies, and armored vehicles for investigators. Capacity building deliveries have also been complex and numerous. To date over 20,000 Mexican officials have attended Merida-funded courses, which are beginning to yield the capacity to replicate training in GOM academies and have produced new capabilities that would not exist if not for Merida in the correctional system, federal police investigations units, canine units, customs investigators, and many other areas.

5. The current pipeline can be divided into six categories for the purpose of seeking out places and ways that programs could move more rapidly:

-- Equipment ordered: There is a significant amount of equipment that has been ordered and is either in production, or somewhere in the complex procurement process. Just because it is ordered does not mean that it is moving rapidly or predictably. Some of this equipment (e.g. certain NIIE) must be made to order and can take up to a year to produce once ordered. This category includes a number of large dollar items, such as the CASA aircraft and Naval UH-60s, whose timelines are either at the mercy of the supplier's limited production line and other customers, or fall into a queue of USG customers who may have a higher priority. Repeatedly, even with cabinet-level interventions by DoD, promised procurement schedules have slipped. Advances here will often need to be made by senior level USG policymakers.

-- Equipment projected but not ordered: With every successive budget the time between the arrival of funds and project execution has been condensed as USG-GOM capacity to jointly plan and execute projects has vastly improved. Currently there are many projects that are ready to launch the moment the budget allocation is received, having been scoped and planned ahead of time. There are, however, still some projects that are held up in

this phase, often because of changing requirements by the GOM, or budgetary misestimates. A \$23 million satellite project that will lead to a multi billion dollar GOM satellite procurement is perhaps the clearest example: this project was developed with original GOM requirements which turned out over budget when they were costed by the contractor. This then required another round of estimates in terms of what items to cut, but the cascading nature of many components made this an extraordinarily complex exercise.

-- Training Projects in the procurement process: Our GOM interlocutors began Merida with a very limited understanding of what capacity building was available from the USG and did not have the necessary systems in place -- such as vetting, people to be trained as trainers, planning systems -- to expedite capacity building programs. This has changed dramatically and like equipment we are able to plan as much as a year in advance, based on their requirements and our capacity to deliver.

-- Training Projects Projected: There are a number of training projects that have not yet been scoped. In some cases, such as with state and local police development, this is because the requirement has not yet been defined by the GOM and there is not a clear partner ready to take the mission on. Others are limited by the inability of the GOM to systematically plan for comprehensive and long-range training. Training begins and ends with the Mexican Government, and the initial training requirements definition is critical, as is a system to monitor and insure on-the-job use of training.

-- Projects to be Reprogrammed: With some projects that were planned in 2008 the requirement has changed, sometimes because a lack of delivery forced the GOM to purchase the item itself, or because priorities in this fast-moving operational environment evolved. There were other outside factors as well. We had a very ambitious IT project with PGR for example, that was dependent on the signing of an agreement between the GOM and another USG agency. This agreement has been stuck long enough that the money is now available for reprogramming. Other projects, e.g. the IT program for INAMI, came in under-budget and can now be shifted.

-- Programs with Contracting Challenges: In one program area - NIIE - we have been struggling with the contracting challenge of how to acquire the precise equipment the GOM requires, while staying within the confines of the fair and open procurement process. This has delayed over \$100 million in equipment for over a year as we attempt to find a solution that meets both requirements.

#### PROGRESS AND CHALLENGES - LESSONS LEARNED

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6. At the beginning of the Merida Initiative, neither Embassy Mexico nor the GOM had the administrative capacity to manage the huge influx of resources. Development of a structure to administer this large program started in earnest in December of 2008. There are dozens of areas where new systems and structures were developed to make these resources flow efficiently and be used effectively that will not be recapped here. There were also a number of lessons learned from the challenges we have faced and overcome:

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-- Lack of Personnel (NAS): NAS Mexico City's sudden transformation from a quiet, mid-sized program with 19 employees two years ago into one of the larger INL programs in the world today -- with over 90 employees and growing - has been ugly. We have essentially fought a war for talent on all fronts, adding direct hires, PSCs, EFMs, LES employees, local contractors of many stripes and colors, even PMFs, interns, ELOs from Consular and summer hires. We have used creative hiring mechanisms to expedite the influx of personnel, and the hiring of top notch mid-level management who could train and mentor the new personnel on arrival. This is an area, however, that needs constant attention going forward, and will require even more creative approaches to keep up with the continued demand for first rate personnel. We especially need attention paid to our counterparts in the Regional Procurement Support Office (RPSO) in Florida, INL/RM, and INL/LP, who appear to remain critically understaffed and must be allowed to add procurement capacity and support staff if we are to accelerate the pace of Merida spending. An interesting option to consider is NAS Mexico hiring virtual procurement and contracting specialists to physically work in Mexico City but at the service of INL & RPSO.

-- Lack of Personnel (USAID): USAID Mexico is a traditionally small Mission that now receives a robust Merida budget and is currently implementing the Embassy's five year, \$44 million flagship Justice and Security Program and a broad Pillar II portfolio. In addition, USAID is the lead USG agency working on Pillar IV activities and is expected to receive a significant budget increase in Global Climate Change funds. USAID's staffing levels have not grown appropriately to manage and absorb new programs and responsibilities. USAID will continue to identify innovative ways to maximize impact with current staffing levels. However, increased personnel, in particular LES technical experts, would enable USAID to more effectively implement and coordinate a broad range of USG programming.

-- Level of technology: In the first two years Merida included a disproportionate amount of sophisticated technology, including UH-60M Blackhawk helicopters, CASA aircraft, ISR platforms, Non-Intrusive Inspection Equipment (NIIE), satellite terminals, and servers for C-4 centers. Almost none of these items are purchased off the shelf, and include numerous delivery vulnerabilities as they are produced to order, modified to specs, fall into existing USG procurement queues for military units, or must be carefully designed as part of a larger project which our government of Mexico counterparts have never managed. Some items, e.g. the three Blackhawk helicopters plus spare parts valued at \$76.5 million destined for the SSP have taken nearly 18 months to procure and deliver - but this is record speed for such equipment despite several unanticipated technical and bureaucratic hurdles. A single ISR aircraft for SSP -- using a standard commercially available airframe - has taken over two years and counting. Some of these programs could have advanced faster with the addition of short-term technical personnel, others would need high level USG push (which they often got) to advance items in the queue. And even then, items would fall back in the queue, or new roadblocks on release of sensitive technologies would arise. Our "business as usual" practices on these items simply has not worked. We do not have dedicated technical

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expertise, industry contacts, or project team structures to keep these projects moving and to resolve new problems when they arise even after high-level interventions. If not for the frustration of cabinet or sub-cabinet officials, which has shaken up the system, these procurements of highly sophisticated equipment would still be nowhere.

-- Contracting and grants: The high-tech equipment that presented the greatest problems were those in which the GOM had specific requirements for a certain kind of equipment, either to avoid a mixed fleet, or to ensure a certain quality of performance based on past negative experiences, or because of certain technical requirements. The USG procurement system struggled with this unique challenge, and a number of deliveries devolved into a long series of protests and counter-protests as we attempted to meet their requirements without violating the system for fair and open competition. NAS has similarly struggled to develop rapid systems for awarding grants when we are working with organizations such as universities and NGOs, and limitations in our training possibilities. A number of very good projects are stymied by the prohibition of any kind of construction. We should look at our contracting process from start to finish and seek areas where we can better meet our customer's needs. At the same time we are committed to making needed improvements in our internal acquisitions system, including GOM needs analysis, requirements definition, scopes of work, identification of recommended contracting mechanism and evaluation factors, among others.

-- Lack of Standard Inter-Agency Agreements: While individual training programs for police, prosecutors, and prison employees are much less expensive than many high-tech equipment items, nevertheless delays can negatively impact the pipeline. The most common source for delays in training is the inability of U.S. Government agencies to complete Inter-Agency Agreements (IAAs) in a timely manner, in order to transfer funds for training. While some agencies have agreed to standard IAA language, others have not, leading to wasteful, protracted legal negotiations that can take more than a year to transfer a few million dollars. A standard IAA text agreed to by all agencies would save many hundreds of hours of staff time, while increasing the speed and ease at which assistance could be delivered. We should mandate agreement on standard IAA language. Once transfers are approved in principle, we should set a target to execute the IAAs within two weeks.

-- Appropriations Challenges: There have been cases where Merida capacity building programs have not been implemented in a timely manner due to uncertainty over the original intent of the appropriations legislation in terms of activities to be conducted and USG agencies charged with managing implementation. For example, in the recent FY 2010 supplemental bill, \$175 million was appropriated as INCLE funding for the purposes of, "judicial reform, institution building, anticorruption, and rule of law activities." While these are areas traditionally programmed by USAID, having been appropriated to the INCLE account, only INL can directly use these funds. Although it is assumed that Congress' intent was for some of this money to be transferred to the agencies best positioned to execute the programs listed in the legislation, agencies endured a prolonged negotiation before

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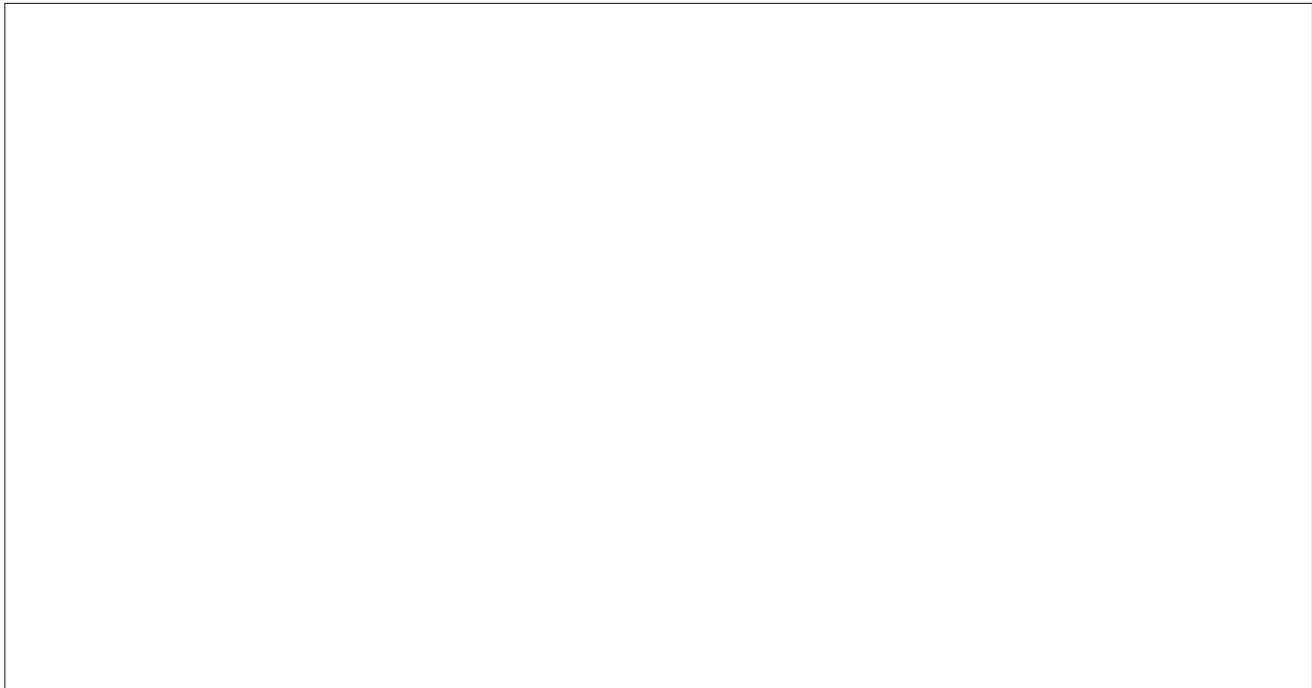
Page 5 of 8

an agreement could be reached.

-- GOM preparation: In many cases the GOM was simply not prepared to begin work on a project which they had requested. They asked for an asset forfeiture program before they had asset forfeiture legislation in place, for forensics lab assistance before they had finished construction of their forensics labs, for the OASSIS trafficking in persons system before a requisite agreement was signed with DHS. There is little that could have been done in most of these areas to move Merida faster, it was simply a matter of accepting the relative "ripeness" of the project.

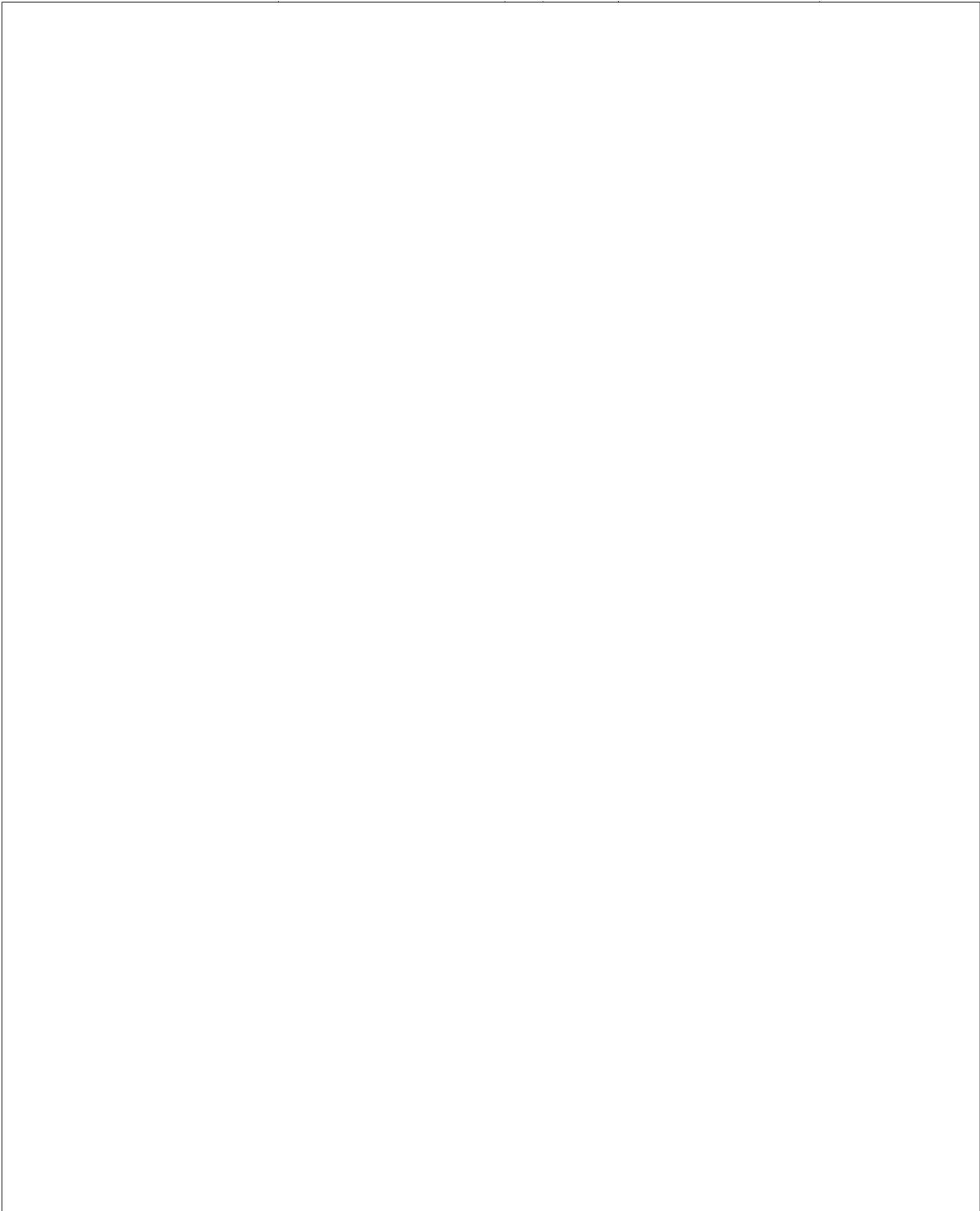
-- Definition of Equipment Requirements: There was also a lag at times in developing the capacity to manage the technology for certain projects, which often played out on the most basic level of defining requirements. The satellite program has gone through several iterations as U.S. advisors have helped to scope the project and define requirements; absent this advice it was simply not ripe for progress or funds would have been ill-spent. A number of the complex IT projects, e.g. the INAMI biometric program, have also had very complex definitions of requirements and moving from concept to design to contract was destined to be slow. The addition of more technical advisors earlier might have helped in some places, and in others a better link between program coordinators and procurement. This is a stage that cannot be bypassed, must be strengthened, must closely involve our Mexican counterparts, and is very difficult to rush. Acquisition planning has its own cycles, times, and stages that must be respected. In some cases we can find ways to reduce times, and in others we must be patient, persistent and systematic with our Mexican partners in working together.

RECOMMENDATIONS  
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**Signature:** PASCUAL

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**Drafted By:** MEXICO/NAS:Mines, Keith; Andrews, Jorgan  
**Cleared By:** NAS:DeGraffenried, Leslie S (Mexico City)  
Department of State:Feeley, John D (Mexico City)  
Sacks, Larry (USAID/MEXICO/DEG)  
**Approved By:** Department of State:Pascual, Carlos (Mexico City)  
**Released By:** MEXICO:Reichert, Amy (Mexico City)  
**Info:**

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**Action Post:**  
**Dissemination Rule:** Archive Copy

**UNCLASSIFIED**

**From:** Brady, Juliette D (Mexico City)  
**Sent:** 4/16/2010 6:58:57 PM  
**To:** SMART Core  
**Subject:** NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR MARCH 2010

UNCLASSIFIED

RELEASED IN FULL



REVIEW AUTHORITY: Oscar Olson, Senior Reviewer

**MRN:** 10 MEXICO 1544  
**Date/DTG:** Apr 16, 2010 / 162257Z APR 10  
**From:** AMEMBASSY MEXICO  
**Action:** WASHDC, SECSTATE ROUTINE  
**E.O.:** 12958  
**TAGS:** SNAR, KCRM, KJUS, PGOV, PREL, MX  
**Captions:** SENSITIVE  
**Reference:** A) 10 MEXICO 1034  
**Pass Line:** STATE FOR INL AND WHA/MEX  
TREASURY FOR ENFORCEMENT SECRETARY  
DOJ FOR BSWARTZ/KBLANCO DEP ASSIST ATTY GEN  
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:** NARCOTICS AFFAIRS SECTION MEXICO MONTHLY REPORT FOR MARCH 2010

1. (SBU) THIS CABLE IS SENSITIVE BUT UNCLASSIFIED

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ISSUES FOR WASHINGTON -- PROJECTS ON HOLD  
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2. (SBU) 2009 LOA: 2009 projects are being defined and scoped by joint USG-GOM working groups but on hold because of extensive delay in preparation and now signing of LOA. We are dipping into pipeline funding, now down to less than \$25M and heavily leveraged, to maintain momentum on key projects.

3. CORREOS: On hold pending determination of requirements from SCT (\$1.5M).

4. (SBU) NON INTRUSIVE INSPECTION EQUIPMENT (\$39.4M):

- Procurement for 19 GAMMA Radiation Mobile Trucks (18 for SSP and 1 for SEDENA) was cancelled in March 2010 due to protests by competing vendors. Procurement is on hold considering options (\$20M).
- Procurement for Fixed Portal GAMMA Vacis units (SAT) - 3 Cesium (\$4.7M) and 1 Cobalt (\$1.8M) was cancelled by RPSO, due to concern over possible protests; on hold pending new procurement strategy.
- Procurement of X-Ray Portal for SAT (\$10.4M) was cancelled by RPSO;

currently pending new procurement strategy.

5. (SBU) AVIATION: ISR Aircraft (\$15.5M) agreement on technical specs not completed. Fixed Wing (now rotary wing - \$83.5M) pending final decision of best aircraft.

6. (SBU) OASSIS: This deployment (and future development) is at a standstill until an MOU between DHS and GOM is completed and executed.

7. (SBU) SCT SECURE SATELLITE: Proposed acquisition by SCT officials was significantly higher than what is available for this project so it will take some negotiations to trim the project back to the current funding levels.

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INTERNAL DEVELOPMENTS  
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8. (SBU) NO LETUP IN VIOLENCE: After mid-month announcements by GOM officials that DTO-induced violence was down by 40 percent, March ended as one of the bloodiest months on record, with an estimated 900 killings nationwide. The January to March total stands at 2614, which matches last year's pace.

9. (SBU) CIUDAD JUAREZ REMAINS VOLATILE: President Calderon visited Ciudad Juarez on March 16, his third trip there in six weeks, just days after the killing of one consulate employee, her spouse, and the spouse of another consulate employee. Calderon's Todos Somos Juarez plan includes 160 actions the government is proposing to improve the socio-economic situation that there that is seen as key to reversing the violence. The SSP also took various steps to better coordinate operations and improve its deployments and investigative capacity. The pace of killings was unmoved though, in Chihuahua there were 624 killings from January to March, exactly on par with last year. Approximately 200 U.S. law enforcement agents led by the FBI are involved in the investigation into the consulate killings and Ricardo Valles de la Rosa, reputed leader of the Barrio Azteca gang, was arrested in Chihuahua State in connection with the case. ICE also announced it will no longer send Mexicans who have committed crimes in the U.S. back to Juarez but rather route them to ports of entry in Texas such as Del Rio, Laredo and Eagle Pass. According to ICE, more than 6,000 deported convicts arrived into Juarez from the U.S. in 2009. On a positive note, a facebook group named "Youths for Juárez," has grown to include more than 4,000 members. This group is now working with a federal program called "Sensores" to help detect warning signs among peers who could fall into criminal gangs.

10. (SBU) NORTHEAST MEXICO: GOM officials predicting a downturn in violence got it wrong in large part because they did not anticipate the uptick in violence in the north-east as the Zetas took on all comers to control the lucrative plazas there. The violence has cut a swath across north-east Mexico, and included key towns in Tamaulipas, Coahuila, and Nuevo Leon, and even in neighboring Durango. DTO's have operated fairly openly and with freedom of movement and operations, with tactics that include roadblocks, the takeover of towns, and bottling up local military units and

security forces. In many cases they operated with near total impunity in the face of compromised local security forces. GOM responded with a considerable show of force including military and federal police. In one prominent case in Durango State, 10 young people were traveling from their small farming community to Los Naranjos to collect financial aid for students when a man in military dress stopped the truck. An unknown number of attackers then shot and killed the youths.

11. (SBU) VIOLENCE ESCALATES IN MONTERREY: Gang warfare between the Gulf Cartel and Zetas left nearly 50 people dead in March in Monterrey, Mexico's third largest and most prosperous city. Among the victims were two graduate students at the Monterrey Institute of Technology, killed during a shootout between the army and Zetas. The wave of violence prompted a citizen protest on March 29, in which approximately 8,000 citizens dressed in white marched against violence just hours after two soldiers and a civilian were wounded in a shootout between troops and gunmen in the city. Shortly after the protest concluded a shootout with soldiers killed five people.

12. (SBU) ATTACKS ON MEXICAN ARMY GARRISONS: Also new this month was a wave of coordinated attacks on two army garrisons in Reynosa and Matamoros on March 31. Well-armed gunmen in armored vehicles attempted to trap army troops by cutting off access and blocking highways. The military came out ahead in this battle, with just one injured soldier to the 18 attackers who were killed. They also confiscated more than 50 assault rifles, 61 grenades and 8 homemade explosive devices, as well as grenade launchers and armored vehicles.

13. (SBU) PRISON BREAK SEASON V: In Matamoros, 41 inmates escaped from a state prison on March 25. Prison staff, including the prison director, is currently under investigation for their role in the incident.

14. (SBU) DTO'S DIVERSIFYING: In addition to violence, criminal gangs are spreading their wings in other ways. Anecdotal evidence indicates that as many as 80 of every one hundred businesses that operate in the areas of Reynosa, Tijuana, and Ciudad Juarez pay between two and five million pesos in extortion fees to organized criminal groups in order to stay in business. Other businesses in those areas have opted to close their doors and relocate to the United States.

15. (SBU) LEGAL AND POLICY DEVELOPMENTS: A proposal by the National Governor's Conference to dissolve municipal police and create single commands at the state level has been opposed by several PAN Senators. The plan would absorb some 2,000 municipal police organizations into 32 state-level agencies in order to have greater institutional capacity among police forces. The opposition argues that the State police are inefficient, and that creating and operating such a system would be highly complex while politically benefitting the party in power in key states. Meanwhile, members of the Security Commission in the House of Deputies and the Senate backed President Calderon's position against legalizing drugs in order to reduce narcotics-related violence. Also in March, Calderon called on all government entities to accelerate the implementation of justice system reforms approved in 2008. The 2008 reform calls for the adoption of oral trials, simplified

legal processes and rights and protections for victim of crime.

16. (SBU) PUBLIC IMAGE: President Calderon called on Mexican officials to defend the image of their country in the face of endless reports on crime. In an attempt to put the situation in perspective, he publicly cited data from the Brookings Institution indicating that Mexico suffers 11.5 homicides for every 100,000 inhabitants, "a high and worrisome number," but below the figures for Jamaica, 67; the Dominican Republic, nearly 50; and Brazil, where the rate is 22 murders per 100,000 residents.

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MERIDA INITIATIVE  
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17. (SBU) SRE hosted the ninth Merida Mexico Bilateral Implementation Meeting in Mexico City on March 5. The meeting included attendees from all U.S. and Mexican agencies involved in the Merida Initiative. Key issues raised during the meeting were:

-- The GOM hosted a civil society meeting in Monterrey on March 4 as part of its ongoing effort to engage local communities and NGOs in a dialogue on Merida.

-- The GOM stressed the importance of having accurate documentation on Merida projects. Joint U.S.-Mexico documents are used to brief President Calderon on Merida progress.

-- The GOM reported on the Demand Reduction program and the six bilateral priorities that came out of the Bilateral Demand Reduction Conference in Washington during the week of February 22, 2010.

-- NAS Director stressed importance in capacity building of train-the-trainer programs; training units over individuals; and increasing the size of Mexico's physical plant for training.

-- NAS briefly highlighted the success of the Ciudad Juarez/El Paso Merida Planning Initiative that took place from February 21-26.

-- The GOM expressed concern with programs being initiated at the state level without the involvement of the federal government.

-- The GOM lamented slow timelines for CASA aircraft and UH-60Ms and asked if it would be possible to speed up delivery of these key pieces of equipment.

-- Several GOM agencies, specifically Customs (SAT), are concerned with slow pace of deliveries. The GOM has requested that the USG produce a calendar displaying delivery dates when made available.

-- The next Bilateral Implementation meeting is scheduled for April 21, 2010.

18. (SBU) U.S. Secretary of State Hillary Rodham Clinton led a high-level delegation to Mexico City on March 16, 2010. Secretaries Clinton and Espinosa agreed to commission a joint survey on drug consumption, to improve our strategic communications on Merida and cross border security, and to speed delivery of Merida equipment and training. They also focused the group on having a clear road-map of our joint activities, with responsibilities, resources, and timelines clearly spelled out in advance of the state visit by President Calderon May 19.



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POLICE PROFESSIONALIZATION & TRAINING  
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19. (SBU) TRAIN THE TRAINER AND ACADEMY DEVELOPMENT: In February NAS initiated the Academy Development Program, a Train the Trainer Program to certify 53 Federal Police Academy personnel. The second iteration, completed in March, graduated an additional 57 instructors. Top students from each program continued with a Curriculum Development, Evaluation of Training and Training Administration and Management Program. To date 12 individuals have completed the POI and an additional 18 will start in April.

20. (SBU) CUSTOMS: Several courses are programmed for Customs (SAT) training but require signature of the LOA and disbursement of FY 2009 funds to begin initiatives.

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CORRECTIONS SYSTEMS REFORM  
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21. (SBU) The 25 participants of the 3rd Classification Course held in Colorado graduated on March 5. 72 individuals have now received training and a group of instructors, trained in Colorado, designed the classification course for the Federal Penitentiary System and are now teaching it to existing classification staff at the Xalapa Academy.

-- The Fourth Correction Instructor Course began on March 8 at the New Mexico Corrections Academy with 29 participants. The class will graduate on April 23.

-- Corrections Advisor advised SSP on design and production of prison cells from Casaflex manufacturing plant in Hidalgo.

-- Equipment for training facility continues to arrive and prisoner vans will be delivered early in April.

-- SSP is finalizing Undersecretary Patino's visit to Washington DC currently scheduled for May 17-21, 2010: He will be meeting with Director of the Federal Bureau of Prisons and other staff.

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NON-INTRUSIVE INSPECTION EQUIPMENT  
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22. (SBU) INL and NAS Mexico continue discussing different procurement approaches and alternatives to expedite the procurement of NIIE, in order to prevent the series of contractor protests that have literally stopped four Merida Initiative NIIE projects totaling approximately \$35M.

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INTERNAL CONTROLS - CONTROL DE CONFIANZA  
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23. (SBU) An expert polygraphist from the US traveled to Mexico City to provide advanced training to 30 PGR polygraph operators in the areas of interviews and interrogation, narco-terrorism and ethics. During the week of

March 15, a DACA/CBP representative conducted advanced polygraph training in adjudication at CISEN, consisting, of a presentation of strategic polygraph CISEN executives and a review of CISEN and PGR polygraph procedures.

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DEMAND REDUCTION  
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24. (SBU) NAS is currently working on a contract with Alutiiq to jump-start the delayed program to bring web-based interconnectivity to more than 300 New Life Centers as part of the National Network for Data Transfer for Addressing Addictions (RENADIC). we have held several meetings with CONADIC to identify the equipment needed to link all the New Life Centers.

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IT PROGRAMS  
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25. (SBU) SSP I: The proof of concept for SSP's Cruces Project is finished and a vendor has been selected to implement the system requirements. The prime contractor is working with RPSO to provide technical and cost proposals for the software acquisition, installation, integration, and user training. The USD 7M project will provide the SSP with the capability to analyze large volumes of information, search for and identify links and matches in its databases. NAS estimates that the software will be installed in 4th qtr CY2010.

26. (SBU) SSP II: The SSP completed its evaluation of different systems to capture license plate information on major highways at strategic locations throughout Mexico. The information captured will be cross-checked with available vehicle registration information in the SSP Plataforma Mexico databases to identify stolen vehicles or vehicles associated with criminal elements. NAS support will provide capture units for approximately 30 locations as well as the necessary communication infrastructure from the capture sites to Plataforma Mexico. The due date for the list of requirements is April 15.

27. (SBU) PGR: The PGR continues with the case management software development project. On March 2, the Ambassador and D/NAS met with Mexican Attorney General Chavez Chavez to formally conclude the \$22 million in database administration software. The roll out of the Justicia Efectiva para Todos (JET) system is ambitious and NAS anticipates requests from the PGR for user training, additional storage servers, data analysis software, and security equipment. All software has been received and invoiced.

28. (SBU) OASISS - Operation against Smugglers Initiative on Safety and Security. This particular project within OASISS was created to expand the infrastructure/processing capabilities of the GOM and supply secure data exchange of critical prosecutorial information across the entire border. The initial application and associated business process flows have been completed and are ready for deployment (although additional requirements will be set once it is rolled out). This deployment (and future development)

is at a standstill until the MOU is completed and executed by USG and GOM.

29. (SBU) INACIPE - National Institute for the Study of Criminal Science:

Project A - Project is designed to increase bandwidth of the INACIPE website, replace the current firewall and provide video streaming services that will allow INACIPE to have the base requirements for a Virtual Classroom/e-Learning environment. Contract (phase 2) is in negotiation with ANS and should be delivered no later than the second/third week in May.

Project B - Project is designed to deliver infrastructure and tools to develop and deliver Virtual Classroom studies. This augmentation of Project A has just started moving through the approval process. Once awarded, this portion of the project should be delivered in approximately 90 days.

30. (SBU) CENAPI - National Center for Information, Analysis and Planning in order to Fight Crime: NAS received and reviewed the requirements in early April. These enhancements shall replace the 15 year old telephone infrastructure with secure communications devices, migrate end of life applications (including data cleansing) to latest versions for CENAPI, SEUNAD, and SIICDO, target application development, shore up data security infrastructure, update software for existing investment in data analysis/enterprise monitoring, and supply training mechanisms for aforementioned technology. NAS is currently creating documentation for the procurement process at a cost of around \$5 million. Once awarded (and due to the complexity of the project) delivery will take approximately fourteen months.

31. (SBU) SECRETARY OF COMMUNICATIONS AND TRANSPORTATION (SCT): The contractor delivered a key element on March 22 detailing the specific satellite communication terminals that the GOM has identified for purchase under the Merida Initiative program. The total for the Bill of Materials for the requested Ground Terminals is much higher (approximately 33 million) than available funds allow. This may delay the project as we try to negotiate the requirements down to be in line with funding availability. (The requirements cannot be trimmed down arbitrarily as many of the ground terminals must work in conjunction with other piece of equipment). Other project activities during March are:

- Legal due diligence reviews relative to the procurement process
- Strategy development meetings with Telecomm and within SCT to develop L Band Coordination agenda for the next quadrilateral coordination meeting
- Preparation for meetings between SCT and FCC in Mexico City as part of the ITU / CITEL meetings
- Meetings with satellite manufactures to brief them on the current status on the program and schedule meetings to take place during the Satellite 2010 conference

32. (SBU) NATIONAL MIGRATION INSTITUTE (INAMI): Biometric enrollment and verification equipment supporting finger-print, iris, and facial verification have been delivered at the following eight sites: El Ceibo, Talisman, Union Juarez, Ciudad Cuauhtemoc, Carmen Xan, Subteniente Lopez,

and Mexico City. At this stage biometric enrollment information is stored in a local database. Subsequent efforts will provide a centralized biometric and biographic enrollment and verification database residing at INAMI's Mexico City offices. The overall goal is to equip 92 sites across Mexico throughout 2012.

-- NAS Mexico provided 80 IT infrastructure kits to INAMI in February 2010 and final acceptance was completed in March, 2010. These kits are in direct support of immigration agents in Cancun, Mexico City Airport, and Tijuana. The overall goal is to equip 100 sites across Mexico.

33. (SBU) NATIONAL INTELLIGENCE CENTER (CISEN): A contract awarded on the 31st of March, 2010 provides for implementation of a secure intelligence communications backbone and further current intelligence capacity building efforts. A requirements analysis is under way, and final delivery of equipment is expected to take place in late August 2010.

34. (SBU) PUBLIC SECURITY BORDER COMMUNICATIONS: NAS continues to support Mexico in developing communications infrastructure in the border area. This is a complex project and requires additional staffing in order to respond with identification of detailed plans in concert with the Government of Mexico and contract administration efforts. In development is a three-pronged approach to achieve this goal.

-- Establish an automated process at the CERI (Centro Emergencia de Respuesta Inmediata) to manage emergency calls and anonymous tips (citizen reports) in a traceable manner within a defined timeframe. This effort will establish roles for operators and dispatchers utilizing the SSP standardized procedures which define over 220 procedural events mapped to the standardized police reporting system (IPH - Informe Policial Homologado). A pilot system is ready to be deployed and tested at the Juarez CERI.

-- Encrypted Communications: This will provide a communication system in Ciudad Juarez so that SEDENA, SEMAR, SSP/Federal Police and the Municipal Police can communicate with each other in a secure/encrypted manner. The system would build on existing inventory and include a GPS tracking system for both patrol cars and individual radios.

-- Cross Border Communication: This will establish a cross-border communications system (voice, data, and video) to exchange information between law enforcement organizations on both sides of the border. Ten locations have been identified for the cross border communications system.

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MONEY LAUNDERING  
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35. (SBU) The Office of Technical Assistance Resident Advisor, Joe Parker, has arrived at post. Over the course of 2010, OTA has planned 35 courses including financial investigative techniques, forensic financial analysis and anti-corruption training.

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LEGAL REFORM TRAINING  
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36. (SBU) NAS-DOS partner National Institute of Criminal Sciences (INACIPE) concluded its second course on Mexico's recently enacted criminal justice and drug trafficking reforms. Eleven instructors from INACIPE conducted thirteen training courses in nine cities around the country to approximately 800 state prosecutors, researchers, university professors and members of the state judiciaries. The instructors were themselves trained on reform issues during a NAS-DOS-sponsored Train the Trainer series in 2009. INACIPE instructors will continue training in all Mexican states throughout 2010. The total number of trained experts in the states is now about 2,000 officials.

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CULTURE OF LAWFULNESS  
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37. (SBU) FEDERAL CoL TRAINING: NAS-DOS partner National Strategy Center (NSIC) held the first of a series of introductory seminars on Culture of Lawfulness for government and NGO managers. Thirty members of Mexican federal government agencies and local NGOs attended the course, which focused on basic Culture of Lawfulness concepts and how they can contribute to foster the culture within their organizations. NSIC local partner Mexico Unido contra la Delincuencia (Mexico United Against Crime) presented its activities and programs, and offered to support any organization in the implementation of CoL training. Officials from the Secretariat of the Comptroller were among key participants.

38. (SBU) STATE CoL TRAINING: The Culture of Lawfulness Project prepared 12 program managers from 5 Mexican border states (Baja California, Chihuahua, Nuevo Leon, Coahuila, and Tamaulipas) to implement the Regional Police CoL Education Initiative. These program managers were appointed by each state's Secretary of Public Security to direct a rule of law integrity program for all ranks, combining formal academy courses with practical implementation of rule of law principles.

39. (SBU) In addition, the CoL Project accredited 12 Mexican instructor trainers during a four day seminar (March 3-6) in Mexico City. Starting in April, these instructors will prepare over 125 new instructors from Mexico's northern border states to teach 40-hour rule of law/integrity courses to new and current state policemen and women as part of the Regional CoL Police Education Initiative.

40. (SBU) CoL TRAINER ACCREDITATION: Formal procedures and criteria have been established for accrediting two different levels of police CoL instructors to ensure quality and consistency in rule of law integrity instruction. The first level is for instructors, the second, more advanced level, is for instructor trainers. This accreditation approach is being applied in the Federal Police Culture of Lawfulness/Integrity Education program and the northern border state-level Regional Police CoL Educational

Initiative.

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AVIATION PROGRAM  
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41. (SBU) A/S Johnson met with SSP Secretary Garcia Luna to discuss options for the Merida Initiative funds that were originally destined for a cargo aircraft. Bristow Academy (Northrop Grumman subcontractor) personnel arrived in Mexico to begin the UH-60L pilot and crewmember training.

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CANINE  
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42. (SBU) On April 2, twelve K-9 Handlers and two K-9 instructors graduated from a 6-week course at the Border Patrol Canine Academy in El Paso, Texas, qualified to detect drugs, weapons, and currency. The graduation is the first of three that will take place as part of the Merida Initiative K-9 project with Mexican Customs (SAT).

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MANAGEMENT  
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43. (SBU) The Binational Implementation Office is slated to open on or about May 16 with American staff moving first, followed by GOM staff. NAS Mexico City will coordinate with INL and the Embassy Front Office on an appropriate "ribbon cutting" ceremony that will take into account necessary security.

44. (SBU) INL/RM Procurement Tim Henderson will be at post the week of April 11, along with INL/LP Mark Smith to review the FY-09 Acquisition Plan, in order to expedite procurement once the FY-09 LOAs are signed. In addition, NAS Mexico City looks to INL/RM to expedite the hiring of the new PSC in Law Enforcement Programs, German Zuniga.

**Signature:** PASCUAL

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**Drafted By:** MEXICO:Brady, Juliette D (Mexico City)

**Cleared By:** THanway  
KMines

**Approved By:** MEXICO:Brady, Juliette D (Mexico City)

**Released By:** MEXICO:Brady, Juliette D (Mexico City)

**Info:** 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 USNORTHCOM Routine ;  
HQ USSOUTHCOM MIAMI FLRoutine ;  
HOMELAND SECURITY CENTER WASHINGTON DCRoutine ;  
US CUSTOMS AND BORDER PROTECTION WASHINGTON DC ····

*ROUTINE* ; DIR ONDCP WASHINGTON DC*ROUTINE* ;  
DEPT OF TREASURY WASHINGTON DC*ROUTINE* ; DEPT OF JUSTICE WASHINGTON DC  
*ROUTINE* ; ALL US CONSULATES IN MEXICO COLLECTIVE *ROUTINE* ;  
WHA CENTRAL AMERICAN COLLECTIVE *ROUTINE*

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**Dissemination Rule:** Archive Copy

**UNCLASSIFIED**

1 A Escape.

2 Q In early 2011, what was your position at that time.

3 A The beginning of 2011, I was already secretary of public  
4 security for the municipality of Tepic.

5 Q Are there any significant events that occurred around  
6 that time?

7 A Yes.

8 Q What happened?

9 A I had two municipal police officers kidnapped 50 meters  
10 from the state checkpoint.

11 Q To be clear, who kidnapped the police officers?

12 A At that time we didn't know who it was until we found out  
13 later.

14 Q The two of your police officers were kidnapped?

15 A Yes, two of the Tepic municipal police officers.

16 Q How did you learn of the kidnapping?

17 A I received a call from the office about the abduction of  
18 the -- about the fact that the officers had gone missing, and  
19 we put the alert out for them.

20 Q What happened after you put the alert out?

21 A After that, all the personnel went off in searching for  
22 those police officers in that area. And news was given too at  
23 that time Roberto Sandoval had moved on to start his campaign  
24 to be governor. There was a new mayor.

25 Q When you said that you put the alert out, did you alert



1 any other police agencies or government agencies?

2 A Yes, yes. The security group for the state of Nayarit.

3 (Continued on next page.)

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1 DIRECT EXAMINATION (Continuing)

2 BY [REDACTED]

3 Q Who was in the security group?

4 A The security group is made up of the Army, the Marines,  
5 the federal police, the state police and municipal police.

6 Q Did any of those agencies come to help you?

7 A The Army.

8 Q Did the federal police come?

9 A No.

10 Q Did you or your colleagues talk to H-2 about the  
11 kidnapped policemen?

12 A Yes, Valdivia spoke with H-2 to see if he knew anything  
13 at the time, and he said that it had not been them.

14 Q What did you understand that to mean?

15 A That the Beltrans had not kidnapped them, but it was  
16 the -- the Chapos.

17 Q What did you do next?

18 THE INTERPRETER: Interpreter needs to clarify,  
19 Your Honor.

20 THE COURT: Yes.

21 Let me ask the interpreter. You need not request  
22 permission. If you need clarification, just say "interpreter  
23 clarifying."

24 THE INTERPRETER: Thank you, Your Honor .

25 A I informed the mayor and I was going to an event. I had

1 been called to a security event by Governor de Manuel  
2 Gonzalez.

3 THE COURT: Everyone okay?

4 Q Did you go to meet the governor?

5 THE INTERPRETER: Interpreter clarification.

6 A Yes. I went to the security event that was held at the  
7 guard station at Lagos del Country.

8 Q Did you actually meet the governor himself?

9 A Yes. He was my boss. He was my direct boss as governor.  
10 And as I was the secretary of public security, he -- and he  
11 was the governor, he was my direct boss.

12 Q Where was your meeting with the governor?

13 A Well, when the governor ended the event, his security  
14 detail asked me to go to his SUV. It was a Tahoe, a white  
15 Tahoe that had gray. And I was to go there and wait for the  
16 governor, which I did.

17 Q Did you and the governor meet inside the white Tahoe?

18 A Yes. And I went in. And that's when he spoke to me  
19 directly, and he asked me if I knew why the things were  
20 happening to me, and if I knew who I needed to talk to, to  
21 rescue the police officers.

22 Q What did you say?

23 A I told him, yes, that I did know who I needed to speak to  
24 because it wasn't the Beltran-Leyvas who had done that.

25 And then he told me that he had just gotten back

1 from a very important meeting in Mexico City with President  
2 Calderon and with the secretary of public security, Genaro  
3 Luna. And he told me that the line --

4 THE COURT: Objection.

5 A -- was Chapo, that the line --

6 THE COURT: Hold on. Hold on. Wait.

7 Overruled.

8 A -- that the line was Chapo. And I was surprised and a  
9 bit nervous, but I had to go rescue the police officers and so  
10 I left.

11 Q When he said "the line was Chapo," what did you  
12 understand that to mean?

13 A That we had to protect Chapo's people and not Beltran's,  
14 the people we had been protecting.

15 Q When you were in that white Tahoe with the governor and  
16 he told you that, did you ask any questions?

17 A No. No, you don't ask for any explanations from the  
18 governor.

19 Q What did you do after that conversation?

20 A I went back to the office and I looked for a contact,  
21 somebody to speak with who represented the interests of  
22 Guzman, of Chapo's, and I found it through a transit commander  
23 who had been there for many years.

24 Q What was the name of Chapo's contact person in charge of  
25 at Tepic and Nayarit?

ACTION WHA-00

INFO LOG-00 EEB-00 AID-00 AMAD-00 GHFS-00 RPPR-00 INL-00  
DOTE-00 PERC-00 DS-00 AVC-00 OIGO-00 FAAE-00 FBIE-00  
H-00 TEDE-00 INR-00 MOFM-00 MOF-00 NSAE-00 ISN-00  
NIMA-00 ISNE-00 FMPC-00 SP-00 IRM-00 SSO-00 SS-00  
R-00 DSCC-00 PRM-00 DRL-00 NFAT-00 SAS-00 FA-00  
GSWA-00 SWCI-00 SANA-00 /000W  
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R 241513Z FEB 11  
FM AMEMBASSY MEXICO  
TO SECSTATE WASHDC 5862  
INFO ALL US CONSULATES IN MEXICO COLLECTIVE  
JOINT STAFF WASHINGTON DC  
DEPT OF HOMELAND SECURITY WASHINGTON DC  
HQ USNORTHCOM  
DEA HQS WASHINGTON DC  
CIA WASHINGTON DC  
US CUSTOMS AND BORDER PROTECTION WASHINGTON DC  
SECDEF WASHINGTON DC  
FBI WASHINGTON DC

RELEASE IN PART B1,1.4(D)

Classification Extended on : 07/07/2017 ~ Class: SECRET ~  
Authority: DSCG 11-1 ~ Declassify on: 02/24/2026

S E C R E T MEXICO 000115

E.O. 13526: DECL: 2021/02/24  
TAGS: PGOV, PREL, SNAR, PINR, MX  
SUBJECT: Mexico Targets Drug Lords

REF: A) 11 MEXICO 9; B) 10 NUEVO LAREDO 10;

CLASSIFIED BY: Carlos Pascual, Ambassador, DOS; REASON: 1.4(B), (D)

1. (S) Summary: Part of the U.S. law enforcement strategy in Mexico is to support the GOM in its efforts to capture high-value targets (HVT) and end impunity for cartel leaders. U.S. support has allowed the GOM to successfully act against numerous HVTs that are on the GOM's most wanted list. The Mexican government says publicly that it has removed, since March 2009, 20 of Mexico's 37 most wanted transnational criminal organization (TCO) leaders.

1.4(D)  
B1

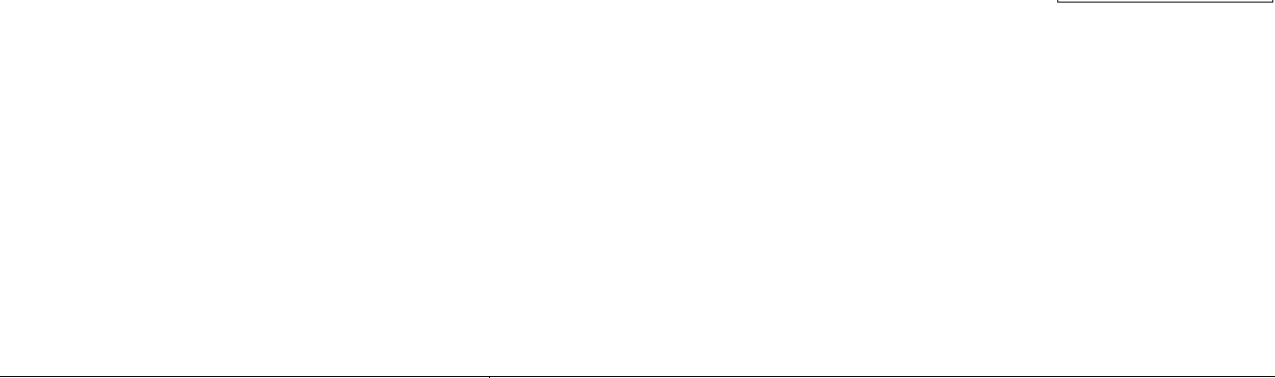
REVIEW AUTHORITY: Janina Slattery, Senior Reviewer



Who is an HVT? Mexican and U.S. Lists Differ, but Progress on Both  
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2. (S) In March 2009, Mexico's Attorney General's Office (PGR) released a list of the 37 most wanted cartel leaders and publicized up to USD \$2 million rewards each for their capture. By 2011, President Felipe Calderon and his security team touted that 20 of those 37 are no longer operating, having either been killed or captured by law enforcement or military forces. The GOM has killed or captured "most wanted" leaders of all the major TCOs operating in Mexico including the Beltran Leyva Cartel, Gulf Cartel, the Zetas, the Sinaloa Cartel, the Juarez Cartel, La Familia Michoacana, and the Tijuana Cartel. This level of dedication to taking out HVTs and disrupting cartel operations is unprecedented in Mexico's history and has had major effects on cartel dynamics.

3. (S) According to USG agencies in the Embassy, which maintain a separate list of HVTs, Mexico has taken down 24 key TCO leaders since December 2009, seven of whom were on DEA's worldwide Consolidated Priority Organization Targets (CPOT) list.



Both governments' figures paint the same picture: Mexico has demonstrated major progress in disrupting cartel activity, gathering intelligence, and successfully acting on that intelligence by ramping up operations against HVTs and other cartel members during the Calderon Administration (see Table 1 for full list).

The Trickle-down Effect of an HVT Takedown

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4. (C) The cartel hardest hit by these efforts is the Beltran Leyva Organization (ref A). When Mexican marines killed BLO's leader Arturo Beltran Leyva in December 2009, it marked the highest-level take down the GOM had achieved since the 2003 arrest of Gulf Cartel leader, Osiel Cardenas Guillen. It also represented a major victory for the GOM and a vindication of Calderon's decision to reinvigorate the Mexican Marines. His death led to a serious

UNCLASSIFIED U.S. Department of State Case No. F-2010-06909 Doc No. C17691115 Date: 07/13/2017

division as his brother Hector Beltran Leyva and Sergio "El Grande" Villarreal battled Edgar "La Barbie" Valdez and Gerardo "El Indio" Alvarez for control of the cartel, leading to increased violence in Morelos, Guerrero, and other states in 2010. Within the year, the GOM captured Villarreal, Valdez, and Alvarez (the first two also on PGR's most wanted list), as well as other mid- and low-level leaders including Valdez's father-in-law and successor Carlos "El Charro" Montemayor. In each case, authorities obtained valuable information from the detainee, which helped officials track and capture more cartel members. Today the cartel is weak and

dependent on its loose alliance with the Zetas and the Juarez Cartel. Hector, who renamed the cartel the South Pacific Cartel (CPS), remains active but faces increasing challenges from rivals and is on the run from the GOM.

#### The Rhetorical Challenge

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5. (C) Proud that 20 out of the 37 most wanted criminals in Mexico have been captured or killed, GOM officials have recently talked about and even aired radio spots touting their success in removing cartel leaders. In doing so, the Mexican government is confronted with a rhetorical challenge difficult to explain to a mass audience in a 30-second radio spot. While the Mexican public mostly receives news of takedowns with enthusiasm, any popularity spike they might create is buried among wide dissatisfaction with the level of violence nationwide. For the first time in Calderon's administration, the public rates security (rather than economic issues) as the country's principal problem.

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#### Cases: Leaders No Longer Operating

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6. (SBU) The following were the leaders on PGR's 2009 list that have been captured or killed:

Beltran Leyva Organization (BLO)

1. Hector Huerta Rios, alias "La Burra;" "El Junior"

Detained by the Army in March 2009 in Nuevo Leon, Huerta Rios was a high ranking member of the Beltran Leyva Organization.

2. Marco Antonio Pineda Villa, alias "El MP"

Pineda Villa's body was found in September 2009 in Morelos. The perpetrators of his murder are unknown but authorities suspect Arturo Beltran Leyva ordered Pineda's killing for a perceived betrayal.

3. Alberto Pineda Villa, alias "El Borrado"

Officials suspect other members of the Beltran Leyva Organization carried out the killing.

4. Arturo Beltran Leyva, alias "El Barbas"

Killed by the Navy in December 2009, Arturo was the leader of the Beltran Leyva Organization (BLO). His death led to brutal infighting over control of the BLO. He was on the CPOT list.

5. Edgar Valdez Villarreal, alias "La Barbie"

A high ranking member of the Beltran Leyva Organization, Valdez was captured by the Federal Police in August 2010 outside of Mexico City. He is being held in a high security Mexican prison and is cooperating with Mexican authorities. GOM officials have indicated they will extradite him to the U.S. in the future.

6. Sergio Villarreal Barragan, alias "El Grande"

A leader of the Beltran Leyva Organization, Villarreal was captured by the Navy in September 2010 in Puebla. He is being held in a high security Mexican prison and is cooperating with Mexican authorities.

Gulf/Zetas

7. Sigifredo Najera Talamantes, alias "El Canicon"

Captured by the Army in March 2009, Najera was a high ranking member of the Gulf Cartel. He was being held in a high security prison while PGR investigated and prosecuted his case.

8. Sergio Pena Mendoza, alias "El Concord;" "El Colosio"

Although PGR listed Pena Mendoza as Sergio Pena Solis on its most wanted list, he was captured in March 2009 by the Federal Police in Tamaulipas. PGR was holding Pena Mendoza, a high ranking member of Los Zetas, in a high security prison while it investigated and prosecuted his case. Somehow,

Pena Mendoza got out of prison (either escaped, or more likely, was released) and returned to Tamaulipas. On January 18, 2010, he was killed by rival members of the Gulf Cartel and his death proved to be the spark that ignited the ongoing battle between the Zetas and Gulf cartels in the northeast (ref B).

9. Gregorio Saucedo Gamboa, alias "El Goyo"; "Metro-2"; "Caramuela"

Captured by the Federal Police in April 2009 in Tamaulipas, Saucedo was a high ranking member of the Gulf Cartel.

10. Ricardo Almanza Morales, alias "El Gori 1"

Ricardo Almanza, one of three Almanza Morales brothers on PGR's most wanted list, was a leader of the Zetas and was killed in a shoot out with the Army and the Navy in April 2009 in Nuevo Leon.

11. Raymundo Almanza Morales, alias "El Gori 2"

Raymundo Almanza, brother of Ricardo and a high level Zeta member, was captured by the Army in May 2009 in Nuevo Leon. The Army turned Almanza over to PGR.

12. Sergio Enrique Ruiz Tlapanco, alias "El Tlapa"

A founder of the Zetas, the Army detained Ruiz in September 2009 in Puebla. The Army turned Ruiz over to PGR.

13. Eduardo Almanza Morales, alias "El Gori"



14. Ezequiel Cardenas Guillen, alias "Tony Tormenta"

A principal leader of the Gulf Cartel, Cardenas was killed by the Navy in November 2010 in Tamaulipas. He was on the CPOT list.

15. Flavio Mendez Santiago, alias "El Amarillo"

A founder of the Zetas, Mendez was detained by Federal Police in January 2011 in Oaxaca. He remains in PGR custody.

Sinaloa Cartel

16. Vicente Zambada Niebla, alias "El Vicentillo"

The son of Sinaloa Cartel leader Ismael "El Mayo" Zambada, Zambada Niebla, a high ranking member of the cartel in his own right, was captured by the Federal Police in March 2009 in Mexico City. He was extradited to the United States in February 2010.

17. Ignacio Coronel Villarreal, alias "El Nacho Coronel"

A high ranking member of the Sinaloa Cartel and an ally of Joaquin "El Chapo" Guzman, Coronel was killed by the Army in July 2010 in Jalisco. He was on the CPOT list.

La Familia Michoacana

18. Nazario Moreno Gonzalez, alias "El Chayo"

One of the two principal leaders of La Familia Michoacana, Moreno was killed by the Federal Police in December 2010. He was on the CPOT list.

Juarez Cartel

19. Vicente Carrillo Leyva

Carrillo Leyva, son of Amado Carrillo Fuentes, founder of the Juarez Cartel, was a high ranking member of the cartel his father founded. He was captured by the Federal Police in Mexico City in April 2009. He remains in a Mexican prison although the PGR has had difficulty prosecuting his case.

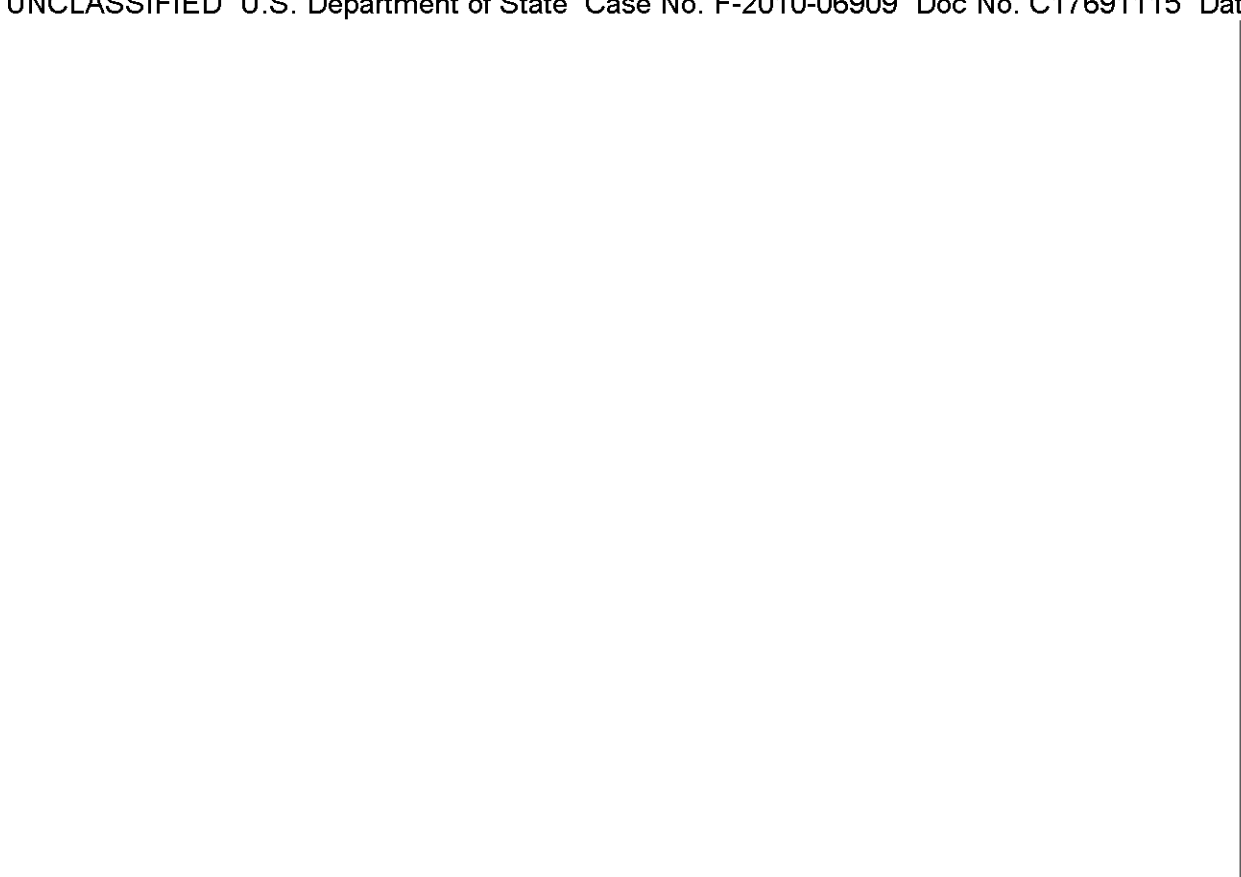
Tijuana Cartel

20. Teodoro Garcia Simental, alias "El Teo"; "El Lalo"; "El 68"; "El K-1"; "El Alamo 6"; "El Tres Letras"

A high ranking member of the Tijuana Cartel, Garcia was arrested by the Federal Police.

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