



Statement before the Senate Caucus on International Narcotics Control  
U.S. Counternarcotics Strategy

# **The Narco Threat to U.S. Security**

Venezuela's Criminal Regime Fuels Regional Instability

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## OVERVIEW AND KEY POINTS<sup>1</sup>

Thank you, very much, Mr. Chairman, for the opportunity to offer my views on the US counterdrug strategy. Last December, I told the Senate Judiciary Committee that **the threat of illegal drug trafficking to US security has never been more dangerous**—because of the depth, breadth, and wealth of criminal networks; the quality and quantity of the deadly drugs; and the inability or unwillingness of governments to confront the threat effectively.

Much of the instability in the region—including the mayhem in Central America that drives migrants to the southwest border—is sown by transnational organized crime. Confronting that dangerous threat requires more than better tactics. It demands a more intelligent strategy, adopted and implemented by dozens of allied governments around the world to choke off access to national territory and to the international financial system. A sobering fact is that transnational organized crime commands annual revenue of \$2.2 trillion—about the gross domestic product of the nation of Mexico.<sup>2</sup>

- **US policymakers also to have to confront the dangerous new reality of state-sponsored crime.** In this regard, the narcostate that US diplomats are tangling with in Venezuela is only the most obvious offender. Cuba, Russia, Iran, and even China have circled the wagons around Venezuela, making them willing conspirators, as the toxic narcostate churns out corruption, cocaine, violence, and refugees on America’s doorstep.
- The global transnational organized crime network grows more powerful ever day as it optimizes the supply chain of illicit drugs to the US market. **On the other hand, the anti-drug alliance that once existed between the United States and responsible governments in Latin America has been lost.** Leftist regimes provided an ideological pretext for destroying democracy and the rule of law, leaving countries bereft of effective criminal justice systems, independent judiciaries, and professional police forces. Populist authoritarians take advantage of these weak institutions to hold on to political power and surrender their territory to organized crime. It’s not an ideological case of right versus left, but right versus wrong.
- **Each facet of the drug threat is aggravated by the narcostate in Venezuela, which fuels criminal networks and corrodes anti-drug efforts in production and transit zones.** The narcostate in Venezuela is led by a troika of gangsters masquerading as the leaders of a leftist revolution. (One of these men, Tareck el Aissami, was indicted in March for sanctions evasion and violations of the Foreign Narcotics Kingpin Designation Act.<sup>3</sup>)

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<sup>1</sup> Some of the content in this testimony has been adapted from an American Enterprise Institute task force report, coordinated and edited by me, entitled, “Kingpins and Corruption: Targeting Transnational Organized Crime in the Americas,” that was published in June 2017.

<sup>2</sup> “Transnational Crime and the Developing World,” by Channing Mavrellis, Global Financial Integrity, March 27, 2017, <https://www.gfintegrity.org/report/transnational-crime-and-the-developing-world/>.

<sup>3</sup> Southern District of New York News Release, Department of Justice, “Venezuelan Minister And Former Vice President Tareck Zaidan El Aissami Maddah Charged With Violations Of The Foreign

- **These criminals and their cronies have looted at least \$350 billion in Venezuelan oil revenue and the profits of narco trafficking.** Venezuelan operatives linked to the narcoregime in Caracas carry out vast international money laundering and smuggling schemes.
- **America’s enemies are digging in and determined to threaten US security from Venezuela.** Vladimir Putin’s Russia has one of its largest contingents of intelligence officers in the world in Venezuela—doubling down on its support for Nicolas Maduro’s illegitimate criminal regime in defiance of regional demands for a democratic transition. Cuban agents micromanage Venezuela’s brutal internal security apparatus and engage in narco trafficking and other corruption. China is willing to risk its other Latin America relationships by supporting Maduro. And, Iran reinstated a nonstop flight from Caracas to Tehran recently, and Hezbollah engages in lucrative cocaine smuggling, money laundering, and terror recruiting from Venezuela.
- **In Colombia, the impressive achievements of Plan Colombia—backed by \$10 billion US aid package—have been squandered.** Colombian narcoguerrillas operate with impunity—trafficking in oil and gold—in more than 40 guerrilla camps deep into the territory of neighboring Venezuela.<sup>4</sup>
  - An explosion of coca in Colombia stokes drug trafficking throughout the region. According to the US State Department’s March 2019 counterdrug report, “Colombian coca cultivation and cocaine production exceeded all-time record levels during 2017.”<sup>5</sup> The State Department estimates that coca cultivation reached 209,000 hectares (just over 800 square miles) in 2017; that is up from 100,000 hectares in 2012. Potential pure cocaine production increased to 921 MT in 2017; that number was 270 MT in 2012.
- **At a time when we need Mexico to do more to fight drugs, its political leadership is irresolute, and its enforcement resources are overwhelmed by illegal migrants.** President Andres Manuel Lopez Obrador, who took office last December 1, has declared a unilateral end to the “war on drugs” and has spoken openly of offering an amnesty to drug kingpins in a bid to quell bloody violence. AMLO has also spoken of legalizing marijuana and poppy production, a huge enterprise in Guerrero State (one of Mexico’s poorest). In the first six months of his administration, there has been a significant decline in amount of cocaine, heroin, and illicit drug laboratories seized by Mexican authorities, according to the US State Department.

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Narcotics Kingpin Designation Act,” March 8, 2019, <https://www.justice.gov/usao-sdny/pr/venezuelan-minister-and-former-vice-president-tareck-zaidan-el-aissami-maddah-charged>.

<sup>4</sup> International Crisis Group, “Gold and Grief in Venezuela’s Violent South,” February 28, 2019, <https://www.crisisgroup.org/latin-america-caribbean/andes/venezuela/073-gold-and-grief-venezuelas-violent-south>.

<sup>5</sup> U.S. Department of State, Colombia Country Report, “International Narcotics Control Strategy Report, March 2019,” <https://2009-2017.state.gov/documents/organization/187109.pdf>.

- **Central American governments in El Salvador and Nicaragua have been dominated for decades by the organized crime network in Venezuela.** The Guatemalan and Honduran governments stand accused of corruption, and their weak anti-drug efforts rely on recently frozen US aid. Official corruption and gang violence have stifled investment and economic growth, inducing impoverished migrants to seek economic opportunity in the United States.

### KEY RECOMMENDATIONS

- The US strategy to fight transnational organized crime—particularly in the Western Hemisphere—should be fully implemented and funded, with **increased investigative personnel, funding, and intelligence support to complete investigations** that will sanction and prosecute narco kingpins and choke off cash to criminal groups.
  - Specifically, **to complete indictments against officials and cronies of the Venezuelan narcostate**, the Drug Enforcement Administration’s Special Operations Division Bilateral Investigative Unit should be allocated additional personnel, and federal prosecutors working on Venezuela money laundering cases should be accorded specialized resources, such as forensic accounting expertise.
- **US national security agencies must reassess the current strategy for defeating and dismantling the narcostate in Venezuela.** Defeating a criminal regime with massive resources and powerful allies is impossible without the credible threat of the use of force.
  - President Trump should **rule out any negotiated settlement** with the Maduro regime—least of all any arrangement that grants immunity to any kingpins or their accessories or that fails to attack and dismantle the military drug cartel or Colombian narcoguerrilla operations in Venezuela.
- The Trump Administration should **cultivate an intelligent and constructive policy for building a mutually beneficial economic and security relationship with Mexico**, so that President Trump does not resort to unhelpful threats.
  - Congress should closely monitor Mexico’s antidrug efforts—including policy initiatives, arrests, and drug seizures.
  - Congress should consider **increasing bilateral counterdrug support** to help ensure that Mexico’s security forces, which also are confronting the migrant crisis, do not reduce antidrug efforts--building on the 2008 Merida Initiative that has provided \$2.3 billion in US aid and opened unprecedented bilateral cooperation.<sup>6</sup>
  - The US Senate should consider quickly the pending nomination of Christopher Landau to be US ambassador to Mexico.

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<sup>6</sup> US Department of State, Fact Sheet, “The Merida Initiative,” (website accessed June 10, 2019), <https://mx.usembassy.gov/our-relationship/policy-history/the-merida-initiative/>.

- US policymakers should continue to press Colombia to eradicate coca cultivation and extradite kingpins sought in US courts, mindful of the significant efforts being made by the current government to deal with the explosion of coca inherited by the current president, and sensitive to the fact that **Colombia is an indispensable and stalwart ally** under enormous pressure from the Venezuela refugee problem.
- **Cooperate closely with the new government of Jair Bolsonaro in Brazil** to develop criminal investigations that target and dismantle threat networks in his country and begin to restore an anti-drug alliance with South American neighbors.
- The President should **designate as ambassadors to Brazil and Colombia** persons whose judgment and loyalty he trusts to maintain candid communications on sensitive issues.

### **Grave and Growing Transnational Threat**

US counterdrug efforts require adequate human and material resources, efficient law enforcement agencies, and willing partners to fight a threat that evolves, adapts, and reaches across national borders. Narcotrafficking operations in the Andes, the Caribbean, Central America and Mexico are part of a vast transnational criminal organism that grows stronger and more dangerous every day.

Whether it is the destruction wrought by drug cartels in Mexico, the deadly opioid crisis menacing US communities, the catastrophic collapse of oil-rich Venezuela, the explosion of coca cultivation in Colombia, or debilitating gang violence throughout Central America, transnational organized crime resides at the heart of nearly every major threat confronting the Americas today.

These crises can be traced to criminal networks that garner billions from illicit drugs, human trafficking, extortion, money laundering, and myriad other schemes. That global criminal network benefits immeasurably from Mexican criminal organizations that are critical links in a supply chain that delivers illicit contraband to the world's largest market: the United States.

These sophisticated crime syndicates relentlessly attack democratic institutions and the rule of law, stunting economic growth and stifling legitimate commerce and investment. Their criminal networks, bankrolled largely by consumers of illicit drugs in the United States and Europe, respect no borders and operate with virtual impunity in countries ravaged by corruption and violence. To outflank the criminal network in Mexico and beyond, governments must study this global conspiracy—which involves local criminals, transnational operators, and hostile state actors—in order to organize a sustained, international offensive to thwart the criminals' plans.

Disrupting those transnational operations requires international cooperation. For decades, US aid and diplomacy has prioritized partnership committed to the rule of law, anti-corruption, transparency, and law enforcement. Regrettably, political trends in the Americas have undermined the willingness or capacity of key states to cooperate against transnational organized crime (TOC).

## US Tools for Combating Transnational Organized Crime and Drug Syndicates<sup>7</sup>

The US government considers transnational criminal organizations (TCOs) an urgent threat to national security and has implemented initiatives, such as the 2011 Strategy to Combat Transnational Organized Crime and the 2017 “Presidential Executive Order on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking,” to better detect, disrupt, and dismantle these criminal networks.

The Trump administration has the opportunity to intensify these efforts by exercising and expanding prosecutions, sanctions, and enforcement agencies’ legal authorities; allocating additional investigative resources; and demonstrating the political will to bring TCOs to justice, seize their assets, and deny them access to the international financial system.

US efforts to counter global crime and drug cartels began during the Nixon administration. In response to rising drug usage, Richard Nixon declared an “all-out, global war on the drug menace” and created the Drug Enforcement Administration (DEA). Since that time, the federal government’s antidrug programs have expanded steadily.

In the 1990s, an antidrug alliance began to take shape in drug-producing states in the Andean region of South America, when governments in Bolivia, Colombia, Ecuador, Peru, and Venezuela made common cause with the United States to fight the production of illicit drugs. Despite occasional setbacks, these countries welcomed trade benefits and US foreign assistance to bolster their antidrug efforts. Large-scale aid programs such as Plan Colombia—the most prominent example of US foreign assistance targeting transnational criminal activity—greatly improved security across the region by developing local enforcement capabilities.

In the past decade, however, that consensus has disintegrated. Venezuela’s anti-US *chavista* government expelled the DEA and ended counter-drug cooperation. In Bolivia, the head of the coca-growers union, Evo Morales, was elected president and soon rejected US antidrug initiatives. Ecuadorian President Rafael Correa ousted a US antidrug operations center from the coastal town of Manta.<sup>8</sup> Even in Colombia, a friendly government has moved to end aerial fumigation and cease the extradition of cocaine kingpins from guerrilla ranks.

Restoring a robust coalition among these countries to renew coercive operations against illicit drugs is not possible in the short-run. Instead, US agencies could put more resources behind the application of financial sanctions as an asymmetrical tool against criminal organizations to deny them access to the international financial system. Although these criminals can evade capture and prosecution, they are still subject to US regulatory measures and criminal prosecution.

One such tool is the Foreign Narcotics Kingpin Designation Act of 1999, or the Kingpin Act, which denies “significant foreign narcotics traffickers ... access to the US financial system

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<sup>7</sup> Celina Realuyo, a member of the AEI task force on transnational organized crime, contributed to this portion of a June 2017 AEI report.

<sup>8</sup> Joshua Partlow, “Ecuador Giving US Air Base the Boot,” *Washington Post*, September 4, 2008, <http://www.washingtonpost.com/wp-dyn/content/article/2008/09/03/AR2008090303289.html>.

and [prohibits] all trade and transactions between the traffickers and US companies and individuals.”<sup>9</sup> The Kingpin Act was modeled on an earlier sanctions program that the Department of the Treasury’s Office of Foreign Assets Control (OFAC) administered against Colombian drug cartels in 1995. The act has been used to disrupt drug trafficking organizations around the world and will continue to be a valuable tool for the US government as it expands its enforcement efforts against organized crime and drug cartels.

### **The Narcostate in Venezuela<sup>10</sup>**

The Venezuelan state—most senior officials, state-run enterprises, police and security forces, etc.—is complicit directly in transnational organized crime. Elements of the national government directly manage and support drug trafficking, money laundering, terrorism financing, support for guerrilla movements, and international corruption. In many cases, the very officials and institutions that in other states would normally be responsible for policing and suppressing these activities are directly engaged in committing or abetting these crimes. No domestic Venezuelan force is willing or able to confront this pervasive criminality, making international investigations, sanctions, and prosecutions indispensable to dismantling this narcostate.

The spread of corruption and criminality throughout the government has been facilitated by the centralization of power under the presidency; the politicization of the military and the judiciary; and the breakdown of transparency, accountability, and the separation of powers, which began under former President Hugo Chávez (1998-2013) and has continued under current President Nicolás Maduro (claiming office after a disputed election in 2013).

Unscrupulous officials have turned Venezuela’s state-run oil giant, *Petróleos de Venezuela, S.A. (PDVSA)*, and its opaque balance sheet into an instrument of corruption. This rampant criminality and corruption have caused the economy and basic public services, from hospitals to policing, to collapse.<sup>11</sup> A once-wealthy country has been transformed into a poor one, with only a handful of the lawless elite left prospering. Venezuela currently ranks 168<sup>th</sup> out of 180 countries on Transparency International’s Corruption Perceptions Index.<sup>12</sup>

Venezuela is a natural corridor for cocaine exports to the United States and European markets. This trafficking exploded in late 2005 when Chávez decided to intensify his regime’s support to Colombian guerrillas by turning Venezuela into a major transport hub for cocaine

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<sup>9</sup> White House, Office of the Press Secretary, “Fact Sheet: Overview of the Foreign Narcotics Kingpin Designation Act,” April 15, 2009, <https://obamawhitehouse.archives.gov/the-press-office/fact-sheet-overview-foreign-narcotics-kingpin-designation-act>.

<sup>10</sup> Ambassador Michael Skol, Boris Saavedra, Ambassador Roger F. Noriega, and Martín Rodíl, members of the AEI task force on transnational organized crime contributed to this portion of a June 2017 AEI report.

<sup>11</sup> Moises Rendon, “Halting Venezuela’s Meltdown,” *Real Clear World*, April 13, 2017, [http://www.realclearworld.com/articles/2017/04/13/halting\\_venezuelas\\_meltdown\\_112289.html](http://www.realclearworld.com/articles/2017/04/13/halting_venezuelas_meltdown_112289.html).

<sup>12</sup> Transparency International, “Corruption Perceptions Index 2018,” <https://www.transparency.org/cpi2018>.

produced by the FARC and other narcotics trafficking groups.<sup>13</sup> According to a colleague of mine who monitors activities in Venezuela, an active-duty Venezuelan military officer informed US law enforcement in May of this year that Cuban military personnel—*coordinated directly by Cuban army Gen. Luis Alberto Rodriguez Lopez Callejas, Raul Castro's son-in-law*—are directly involved in smuggling cocaine through the port of La Guaira, with most of the drug shipments bound for Europe and west Africa.

The same Venezuelan officer described the presence of Colombian narcoguerrilla camps deep into Venezuelan territory, which are responsible for transiting cocaine bound for the United States and other markets to Caribbean ports.<sup>14</sup> The Venezuelan source explained to a US law enforcement official that Cuban military officers stationed in Venezuela have instructed the national security forces not to approach these guerrilla camps or to interfere with their narcotics smuggling operations.

A decade later, Venezuela's rampant corruption and money laundering schemes are integral elements of international narcotics trafficking operations. In addition to looting the coffers of state-owned entities, corrupt officials in the regime use state personnel, vehicles, and aircraft to smuggle illegal drugs. Multiple elements of the military are used to facilitate the movement of drugs from Bolivia, Colombia, and Ecuador through the Caribbean, Central America, and Mexico to the United States and Europe. An estimated 200 metric tons of cocaine move through Venezuela per year, and roughly two-thirds of that total is destined for the United States.<sup>15</sup>

For more than a decade, Venezuelan-backed financial facilities in El Salvador (Alba Petróleos) and Nicaragua (Albanisa) have been suspected by US authorities of carrying out vast money laundering operations on behalf of Colombian and Mexican criminal organizations and corrupt Venezuelans. One recent report, authored by investigator Doug Farah, estimates that the *chavista* network has circulated as much as \$40 billion in illegal funds over the past decade.<sup>16</sup>

According to Farah, after Chavez's election in 1998, he began to construct a network of leftist leaders, kleptocrats, guerrilla groups, and criminal enterprises to take part in looting and laundering billions of dollars derived from oil and minerals sales and illicit drug trafficking. Like-minded leaders in other countries in the region lent their territory, state enterprises, and financial systems to this ambitious project that used crime for political ends.

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<sup>13</sup> Insight Crime, "Report Charts Evolution and Militarization of Venezuela's Drug Trade," March 22, 2017, <http://www.insightcrime.org/news-analysis/evolution-militarization-venezuela-drug-trade-report>.

<sup>14</sup> Nick Paton Walsh, Natalie Gallón and Diana Castrillon, "Corruption in Venezuela has Created a Cocaine Superhighway to the US," CNN, April 17, 2019, <https://www.cnn.com/2019/04/17/americas/venezuela-drug-cocaine-trafficking-intl/index.html>.

<sup>15</sup> Kaitlin Lavender, "Venezuela Teetering on the Edge," *Cipher Brief*, May 3, 2017, <https://www.thecipherbrief.com/article/latin-america/venezuela-teetering-edge-1091>.

<sup>16</sup> Antonio Maria Delgado, "Study Finds Venezuela Criminal Enterprise is Blunting Effects of US Sanctions," *Miami Herald*, May 15, 2019, <https://www.miamiherald.com/news/nation-world/world/americas/venezuela/article230420019.html>.

The Farah report asserts that regional PDVSA subsidiaries, such as Alba Petróleos in El Salvador and Albanisa in Nicaragua, are key partners in the looting of Venezuelan wealth and laundering of misappropriated aid money and other illicit funds. These lucrative activities are used to prop up local leftist allies—including Daniel Ortega in Nicaragua and the leftist front in El Salvador. This corrupt financial network also is used to launder the proceeds of other illicit activities, including drug trafficking and illegal mining.

Farah states that the creation and promotion of this vast corruption network was a proximate cause of the destruction of the Venezuelan economy and the proliferation of corruption throughout the region. Today, this criminal network is a key support mechanism for the flailing Maduro regime, allowing it to diversify illicit revenue and bypass international sanctions. As the Farah report concludes, the continued resilience of the Venezuelan regime “would not have been possible without the assistance of a much broader network of illicit actors operating in positions of power from around the world.”

### **Mexico’s Uncertain Partnership**

Due to simple geography, Mexico is an essential partner with any effective US counternarcotics strategy. However, under President Andrés Manuel López Obrador, drug seizures by the Mexican authorities have declined dramatically. During the first six months of 2018, under his predecessor president Peña Nieto, Mexican authorities seized 316 kg of heroin, 5.53 metric tons of cocaine and 37 drug laboratories.<sup>17</sup> During the first six months of AMLO’s presidency, authorities have seized just 20 kg of heroin and 1.75 metric tons of cocaine, and 17 laboratories.<sup>18</sup>

Mexico is at a crossroads today. Its political leaders have the responsibility to rally the nation behind the rule of law to rescue their country from corruption and criminality. The populist firebrand, Andres Manual López Obrador (known universally by his initials, AMLO), won a landslide victory in July based on a campaign to fight violence, entrenched interests, and corruption. In addition to his vague talk about an “amnesty” for narcos, his personalized, populist style could very well undermine institutional democracy that is indispensable to the rule of law.<sup>19</sup>

Fifteen years ago, it was accurate to speak of localized drug cartels that exercised criminal control over particular geographic areas, or “plazas,” of Mexico, clustered around production zones and key border crossings. *Today, no fewer than seven well-articulated criminal organizations engage in a variety of deadly crimes and violent turf wars throughout the country.*

These criminal syndicates operate with a degree of impunity in Mexico, terrorizing the population and corrupting or controlling officials at all levels of government throughout the

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<sup>17</sup> State Department, “International Narcotics Control Strategy Report,” March 2019, <https://www.state.gov/wp-content/uploads/2019/04/INCSR-Vol-INCSR-Vol.-I-1.pdf>,

<sup>18</sup> Mexican Secretariat of National Defense, “Operations against Narcotrafficking,” [https://www.gob.mx/cms/uploads/attachment/file/467701/1\\_dic\\_a\\_31\\_may\\_2019.pdf](https://www.gob.mx/cms/uploads/attachment/file/467701/1_dic_a_31_may_2019.pdf).

<sup>19</sup> Shannon K. O’Neil, “Lopez Obrador Spells Trouble for Mexico,” *Bloomberg*, November 30, 2018, <https://www.bloomberg.com/opinion/articles/2018-11-30/lopez-obrador-s-presidency-will-roll-back-mexico-s-gains>.

country. Since 2006, the coercive “war on drugs” under two Mexican presidents has captured and killed kingpins and splintered criminal organizations. However, due to the failure and outright corruption of the criminal justice system, endemic corruption among political leaders, and the lack of professional policing, prosecution, or incarceration, the Mexican government struggles to impose the rule of law against criminals or to protect innocent citizens. In the last 12 years, nearly 200,000 Mexicans have been killed (most but not all of whom were involved in criminality) and nearly 34,000 more have disappeared.<sup>20</sup>

Although the Mexican government has eradicated both opium poppy and cannabis cultivation and pursued kingpins for decades, the internal security threat posed by Mexican criminal organizations shows no signs of abating. Indeed, fighting organized crime in Mexico has become increasingly complicated over the past two decades, as drug cartels take advantage of the globalized economy to expand into weapons and human trafficking, money laundering, kidnapping, extortion, and other illicit activities. Globalization has expanded their areas of operations significantly; the Sinaloa Cartel, for example, now has a presence on six continents.<sup>21</sup>

Mexican smugglers are an integral part of a transnational network—from the coca and poppy fields of South America, through the transit zones of the Andes, Central America, the Caribbean, Mexico, to the US border. That network is fueled by a narcostate in Venezuela, booming coca production in Colombia, street gangs in El Salvador, and money launderers and bankers in many countries—using our currency and financial system against us.

Only one of the country’s recent presidents—Felipe Calderon (2006-2012)—adopted internal security strategies as a priority, while his successor—Enrique Peña Nieto (2012-2018) initially focused on economic and social reform with the expectation that the rule of law would improve as Mexico modernized. Despite the fact that the vast majority of Mexicans are demanding public security, too many of their political leaders, at all levels, are either unwilling or unable to confront organized crime in favor of the rule of law. Indeed, *official collaboration* with the criminal organizations has proven to be an insurmountable challenge.

President López Obrador took office on December 1 at a time of trial for Mexico, its institutions, and the fight against powerful narco groups. Violent crime should demand AMLO’s immediate and steady attention. One would expect ambitious plans to tackle corruption, overhaul law enforcement organizations, or reform the faltering criminal justice system. Instead, he has said he would consider an “amnesty” to quell drug-related violence, gradually demilitarize policing duties, and fight crime by creating jobs, scholarships, and social services—all of which sounds ominously like a plan for surrender.

Although he has held office for more than six months, AMLO has been short on details, shifting his position recently on demilitarizing the government’s anti-drug strategy, proposing instead to fill the security vacuum by creating a new National Guard. It is worth noting that the

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<sup>20</sup> “A Stark Reminder of Mexico’s Disappearances Crisis,” by Tamara Taraciuk Broner, Human Rights Watch, EFE (Spanish) News Agency, February 6, 2018, <https://www.hrw.org/news/2018/02/06/stark-reminder-mexicos-disappearances-crisis#>.

<sup>21</sup> Doris Gómora, “The Sinaloa Cartel Has a Global Empire,” *El Universal*, January 20, 2016, <http://www.eluniversal.com.mx/articulo/english/2016/01/20/sinaloa-cartel-has-global-empire>.

June 7<sup>th</sup> US-Mexico accord anticipates deploying the bulk of this nascent force in southern states to interdict migrants.

To get beyond the symptoms of organized crime, AMLO's administration should consider the need for deep and broad institutional reforms to build an effective and modern state in Mexico. Official corruption, criminal impunity, ineffective policing, dysfunctional criminal justice, and widespread insecurity have a corrosive effect on popular support for democratic government, which is failing in the essential task of keeping people safe.

As marijuana is legalized or decriminalized in the United States, Mexican drug trafficking organizations are focusing on deadlier products. Since 2013, the production of heroin in Mexico has tripled, including the deadlier variety of white heroin. The availability of fentanyl, which is 30 to 50 times more potent than heroin, has increased dramatically in the last five years, with much of the supply originating in China and transiting through Mexico. Such opioids are more available than ever, already causing about 70,000 deaths annually in the United States. Although the overall number of opioid related deaths has dipped last year, those attributed to synthetic opioids continued to rise.<sup>22</sup>

Chinese producers play a major role in the burgeoning trade in deadly fentanyl. There are more than 160,000 chemical companies in China, complicating efforts to reduce Chinese output. Frankly, for years Chinese officials have professed a willingness to address US demands for increased controls, but they only move to curb the lucrative trade in response to pressure.<sup>23</sup>

Any informed observer of Mexico's security challenge of the last several decades can recite the unfinished business of bringing organized crime and corruption under control: fundamental reform of institutions of government, in all branches and at all levels; criminal justice reform; and professional security forces that can impose the rule of law without fear or favor. This is a daunting agenda, but Mexico cannot reach its full economic potential in the 21<sup>st</sup> century without a modern state that can protect people and property.

## **Explosion of Coca in Colombia**

For decades, Colombia has faced extraordinary challenges as ground zero in the hemispheric fight against transnational organized crime. However, determined Colombian leadership, with support and cooperation from the United States, has made dramatic gains in the struggle against criminal groups. The peace accord with the FARC, Colombia's largest transnational criminal organizations, brings new challenges and opportunities for the fight against organized crime, requiring continued vigilance and cooperation from the United States.

Today, the US-Colombia bilateral relationship is one of the most important partnerships in the fight against transnational organized crime in the Americas. Under Plan Colombia, both governments have worked together for more than 15 years to fight back against the narco-

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<sup>22</sup> Center for Disease Control, "Provisional Drug Overdose Death Counts," November 4, 2018, <https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm>.

<sup>23</sup> Sui-Lee Wee, "Trump Says China Will Curtail Fentanyl. The US Has Heard That Before," *The New York Times*, December 3, 2018, [https://www.nytimes.com/2018/12/03/business/fentanyl-china-trump.html?fbclid=IwAR2awGU7FgtiT9d5bV3lq7N181F4Zbp4231Kpoi\\_Vyv8xI-pIkBdtUUiHAQ](https://www.nytimes.com/2018/12/03/business/fentanyl-china-trump.html?fbclid=IwAR2awGU7FgtiT9d5bV3lq7N181F4Zbp4231Kpoi_Vyv8xI-pIkBdtUUiHAQ).

terrorist threat that once brought Colombia to the brink of failed statehood. Between FY 2000 and FY 2016, the US Congress appropriated more than \$10 billion in aid under Plan Colombia and successive strategies.<sup>24</sup>

Under President Juan Manuel Santos (2010-18), the government lowered its guard in a bid to make peace with narcoguerrillas of the Revolutionary Armed Forces of Colombia (known by its Spanish acronym, FARC)—ending aerial fumigation, curtailing offensive operations against traffickers, and suspending the extradition of cocaine kingpins shielded by the peace process. The resulting explosion of coca cultivation in Colombia is a major concern.

According to the latest numbers from the US government, Colombia's coca production in 2017 rose an estimated 19 percent from the previous year. These numbers have consistently risen during the peace negotiations, more than doubling from 2012 to 2017, reflecting a sharp rise beginning in 2015. These developments are the direct result of the government's 2015 decision to end the aerial eradication of coca plants, citing concerns about the adverse health impact of glyphosate.<sup>25</sup>

Current President Ivan Duque inherited a disaster. He is besieged as he tries to address US demands for coca eradication and extradition of a former guerrilla kingpin as well as deal with an influx of 1.5 million refugees fleeing Venezuela's humanitarian disaster. President Trump's recent statements disparaging Duque's antidrug efforts are unhelpful to this vital partnership.<sup>26</sup>

### **Gangs of Central America<sup>27</sup>**

Violence in Central America has reached epidemic levels, particularly among the Northern Triangle nations of El Salvador, Honduras, and Guatemala. Gang violence is a primary driver of social disintegration in the Northern Triangle and, as such, a primary driver of the illegal immigration of thousands of people from the region into the United States.<sup>28</sup> The prominence of gangs in the region is fueled by the Northern Triangle's weak institutions, corruption, scarce rule of law, and paucity of economic opportunity.

There are multiple gangs in the Northern Triangle that hold varying levels of power and resources. By most measurements, the largest gang is Mara Salvatrucha (MS-13), while a gang

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<sup>24</sup> Mark P. Sullivan, *Latin America and the Caribbean: Key Issues and Actions in the 114th Congress*, Congressional Research Service, January 4, 2017, 34, <https://fas.org/sgp/crs/row/R43882.pdf>.

<sup>25</sup> John Otis, "Colombia Will End Coca Crop-Dusting, Citing Health Concerns," NPR, May 15, 2015, <http://www.npr.org/sections/parallels/2015/05/15/406988063/colombia-will-end-coca-crop-dusting-citing-health-concerns>.

<sup>26</sup> Steven Nelson, "Trump Slams Colombia's President: 'He Has Done Nothing for Us,'" Washington Examiner, March 29, 2019, <https://www.washingtonexaminer.com/news/white-house/trump-abruptly-slams-colombias-president-he-has-done-nothing-for-us>.

<sup>27</sup> Douglas Farah and Héctor Silva, members of the AEI task force on transnational organized crime contributed to this portion of a June 2017 AEI report.

<sup>28</sup> Anastasia Moloney, "Deadly Gang Extortion Rackets Drive Emigration from El Salvador," Reuters, May 16, 2016, <http://www.reuters.com/article/us-el-salvador-extortion-idUSKCN0Y71QW>.

known as Barrio 18 is considered its primary rival. Both gangs have internal divisions and varying local structure, but there are also many smaller gangs that operate with less centralized structures. MS-13 and Barrio 18 combined are estimated to have more than 100,000 gang members in the Northern Triangle, and both have a significant presence outside the region, with cells in the United States and Canada.<sup>29</sup>

In El Salvador alone, there are an estimated 60,000 gang members with an active presence in 247 out of 262 municipalities.<sup>30</sup> Of those, some 65 percent are members of MS-13. MS-13's growth and resilience have drawn special attention from US authorities and regional governments. In 2012, the US Department of Treasury sanctioned MS-13, designating it a transnational criminal organization.<sup>31</sup>

The Northern Triangle gangs' criminal activities are varied, but their most prominent crimes are homicides and extortion. Nevertheless, some gang cliques have shown the capacity to engage with regional drug trafficking organizations, the transportation of illicit goods, and human trafficking. A regional security researcher has interviewed MS-13 sources who claim that they have established a physical presence in areas of Mexico, with the acceptance of local cartels who may welcome the gang's retail network in every major US city.

Criminal street gangs from Central America—which are vertically-integrated with gangs in every major US city—are now cautiously expanding their trafficking operations into Mexico. One of my sources has told me that 30 to 40 members of MS-13 traveled to the border city of Tijuana in recent months as part of that gang's plans to expand its smuggling and distribution operations on the US border.

The challenge of combating gangs and gang violence in the Northern Triangle, when complicated by corruption, can seem insurmountable. Arresting gang members frequently appears to have a negligible impact, particularly when they continue to be involved in gang activities in prison. However, there are some concrete ways that the spread of gangs can be confronted, with support from US authorities.

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<sup>29</sup> *El Nuevo Diario*, "Triángulo Norte en alerta por pandilleros repatriados" [Northern Triangle on alert over repatriated gang members], April 21, 2017, <http://www.elnuevodiario.com.ni/nacionales/425314-triangulo-norte-alerta-pandilleros-repatriados/>.

<sup>30</sup> Elizabeth Matsangou, "El Salvador's Economic Shackles," *World Finance*, April 19, 2017, <https://www.worldfinance.com/strategy/el-salvadors-economic-shackles>.

<sup>31</sup> US Department of the Treasury, "Designation Targets Latin American Gang Mara Salvatrucha (MS-13)," press release, October 11, 2012, <https://www.treasury.gov/press-center/press-releases/Pages/tg1733.aspx>.