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*MEXICO'S COUNTER-NARCOTICS EFFORTS UNDER
ZEDILLO AND FOX, DECEMBER 1994-MARCH 2001*

K. Larry Storrs, Foreign Affairs, Defense, and Trade Division

Updated March 30, 2001

Abstract. This report provides information on Mexico's counter-narcotics efforts during the six year presidency of Ernesto Zedillo and a short period of the presidency of Vicente Fox, with special emphasis on calendar year 2000, covered by the State Department's report on international narcotics control.

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Mexico's Counter-Narcotics Efforts under Zedillo and Fox, December 1994-March 2001

Summary

This report provides information on Mexico's counter-narcotics efforts during the six year presidency of Ernesto Zedillo (December 1, 1994 to December 1, 2000) and a short period of the presidency of Vicente Fox (December 1, 2000, to March 1, 2001), with special emphasis on calendar year 2000, covered by the State Department's report on international narcotics control.

Share of Traffic. Mexico continued to be the transit point for about 50-65% of the cocaine entering the United States from South America in 2000, with the uncertain and varying estimates being similar to estimates in recent years. Mexico also continued to be a major source country for heroin, marijuana, and methamphetamine, and a major center for money laundering activities.

Control Efforts. Seizures of cocaine by Mexico in 2000 were down 31% from 1999, and down 12% from the 1994-1999 average, which might be viewed as lagging performance. Seizures of opium were down from unusually high levels in 1999, but represented a 32% increase over the 1994-1999 average. Seizures of heroin were up slightly, while seizures of marijuana, methamphetamine, and drug labs were up significantly. **Arrests** were up slightly in 2000, to reach the highest levels in the last seven years except for 1996, but numerous instances of apparent corruption persist. Several important drug traffickers were arrested in 2000, including key members of the Arellano Feliz or Tijuana cartel, Ismael "El Mayel" Higuera Guerrero (chief operations officer) and Jesus "Chuy" Labra Aviles (financial manager). While only one Mexican national was extradited to the United States in 2000 on drug-related charges, a January 2001 ruling by the Mexican Supreme Court, and Mexican Senate approval of the temporary surrender protocol are promising developments. **Eradication** of opium and marijuana declined somewhat in 2000, but with fewer hectares of cultivation, the potential yield of opium declined markedly to a new record low, and the potential yield of marijuana was lower than four of the previous six years.

Cooperative Efforts. U.S.-Mexico counter-narcotics cooperation continued at unprecedented levels during the final years of the presidencies of Zedillo and Clinton, with the full range of law enforcement, military, border, and drug control agencies being involved. In the last two years the countries agreed on measures to gauge the effectiveness of the joint anti-drug strategy, they established a new interdiction working group that led to significantly increased maritime interdiction cooperation, and they took various cooperative steps to control money laundering activities. They also cooperated on U.N. and OAS anti-drug activities, including the development and first application of the multilateral evaluation mechanism (MEM) of the Inter-American Drug Control Commission (CICAD) to assess the counter-narcotics performance of all member countries. Following elections in both countries, Presidents Fox and Bush met in Mexico in mid-February 2001, and agreed to strengthen law enforcement and counter-narcotics cooperation between the countries.

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Mexico's Counter-Narcotics Efforts under Zedillo and Fox: December 1994-March 2001

Recent Congressional Interest and Action

Congress has had a longstanding interest in Mexico's counter-narcotics efforts. Beginning with legislation originally enacted in the mid-1980s, Congress has required the President to certify annually, subject to congressional review, that drug producing or drug-transit countries have cooperated fully with the United States in drug control efforts during the previous year to avoid suspension of U.S. aid.¹ Mexico has been fully certified each year, but Congress has closely monitored these certifications, and resolutions of disapproval to reverse the presidential certifications were introduced in 1996, 1997, 1998, and 1999. In 1996, no floor action was taken; in 1997, each house passed separate weakened resolutions; in 1998, a Senate version was defeated in floor action; and in 1999, no action was taken on House resolutions. Following the election of opposition candidate Vicente Fox as President of Mexico in July 2000, several Members called for modification of the certification procedures or exemption of Mexico from the process. President Bush certified Mexico as fully cooperative in drug control efforts on March 1, 2001, citing the arrest of key members of the Tijuana-based Arellano Felix Organization, the aggressive eradication programs, and continuing cooperation with the United States in a number of areas.²

Estimates of Mexico's Share of Drug Trafficking Activity

According to estimates by the Department of State's Bureau for International Narcotics and Law Enforcement Affairs, Mexico is the primary transit point for

¹ For details on the certification process and an illustration of the possible consequences of decertification of Mexico, see CRS Report RL30080, *Mexico and Drug Certification in 1999: Consequences of Decertification*, March 4, 1999, by K. Larry Storrs. For more general information on U.S.-Mexican relations, including legislation on trade, immigration, and drug trafficking issues, see CRS Issue Brief IB10070, *Mexico-U.S. Relations: Issues for the 107th Congress*, by K. Larry Storrs.

² For details on U.S. congressional action, see CRS Report 98-174, *Mexican Drug Certification Issues: U.S. Congressional Action, 1986-2001*, by K. Larry Storrs. For more detailed information on Mexican counter-narcotics efforts in earlier years of Zedillo's presidency, contact the author (202-707-5050) for previous (out of print) versions of this report--CRS Report 97-354, March 14, 1997; CRS Report 98-161, March 4, 1998; CRS Report RL30098, March 18, 1999; and CRS Report RL30475, March 16, 2000, by K. Larry Storrs.

cocaine entering the United States from South America, and is a major source country for heroin, marijuana, and methamphetamine.³ Agency experts agree that Mexico's share of illicit traffic in the various areas has remained high over the years, although there are variations in the estimates. The methodology for making the estimates (whether derived from seizures or some other means) is not regarded as entirely adequate, and the estimates may be affected by changing trafficking patterns and demand as much as enforcement efforts. In many cases, estimates have not been provided in recent Administration reports and congressional testimony

With regard to cocaine, the major drug of concern, the State Department's recent INCSR report covering the year 2000 cited DEA estimates that 55% of the cocaine sold in the United States transits Mexico. About the same time, a DEA official testified in March 2001 that 65% of South American cocaine reaches American cities via the U.S.-Mexico border, while a U.S. Customs official indicated that "more than 50%" entered via the Southwest Border.⁴ These uncertain and varying estimates are similar to the estimates in recent years.

With respect to heroin, the recent INCSR report did not estimate the percentage of U.S.-bound heroin produced in Mexico, but it noted that Mexico produces only about two percent of the world's opium, nearly all destined for the United States, and that production in Mexico plummeted as a result of eradication efforts and a severe drought. A U.S. Customs official stated, in March 2001 hearings, that 14% of the heroin seized in the United States comes from Mexico, while an independent study indicated that Mexico is the source of 29% of the heroin used in the United States.⁵

In other areas, the recent INCSR report noted that Mexico-based transnational criminal organizations have become the largest distributors in the United States of methamphetamine and precursor chemicals like ephedrine, with methamphetamine seizures in the United States growing from 96 kilograms in 1998 to 358 kilograms in 1999, and 638 kilograms in 2000. According to DEA, "virtually all the marijuana smuggled into the United States, whether grown in Mexico or shipped through Mexico from lesser sources such as Central America, is smuggled across the U.S.-Mexico Border."⁶ Mexico continues to be a major money-laundering center and in recent years international money launderers have turned increasingly to Mexico for initial placement of drug proceeds into the global financial system, according to the recent INCSR.

³ See U.S. Department of State, Bureau for International Narcotics & Law Enforcement Affairs, *International Narcotics Control Strategy Reports* (INCSR), generally issued in March of each year with coverage of the previous year. The latest version, issued in March 2001, is available on the internet at <http://www.state.gov/g/inl/rls/nrcrpt/2000/>.

⁴ See testimony of DEA Administrator Donnie R. Marshall and Assistant Customs Commissioner John C. Varrone before the Subcommittee on Crime of the House Judiciary Committee, March 29, 2001.

⁵ See testimony of Assistant Customs Commissioner John C. Varrone before the Subcommittee on Crime of the House Judiciary Committee, March 29, 2001.

⁶ See testimony of DEA Administrator Donnie R. Marshall before the Subcommittee on Crime of the House Judiciary Committee, March 29, 2001.

Mexico's Efforts to Control Illicit Drug Activities

Table 1 shows estimates of Mexican drug control efforts in three areas — seizures, arrests, and eradication — from 1994 to 2000.

Table 1. Mexican Counter-Drug Activities, 1994-2000

	1994	1995	1996	1997	1998	1999	2000
Seizures							
Cocaine (mt)	22.1	22.2	23.6	34.9	22.6	33.5	23.2
Opium (mt)	0.15	0.22	0.22	0.34	0.15	0.80	0.41
Heroin (mt)	0.297	0.203	0.363	0.115	0.120	0.258	0.302
Marijuana (mt)	528	780	1,015	1,038	1,062	1,459	2,005
Methamphetamine (mt)	0.265	0.496	0.172	0.039	0.096	0.358	0.638
Ephedrine (mt)	—	6.391*	6.661*	0.637*	0.347*	0.365*	0.560*
Illicit Drug Labs	9	19	19	8	7	14	23
Arrests							
Nationals	6,860	9,728	11,038	10,572	10,034	10,261	10,771
Foreigners	146	173	207	170	255	203	233
Total	7,006	9,901	11,245	10,742	10,289	10,464	11,004
Eradication							
Opium (ha)	6,620 11,036	8,450 15,389	7,900 14,671	8,000 17,732	9,500 17,449	7,900 15,469	7,600 15,621
Marijuana (ha)	8,495 14,227	11,750 21,573	12,200 22,961	10,500 23,576	9,500 23,928	19,400 33,583	13,000 31,019

Sources: Except where indicated by asterisk, data is from the U.S. Department of State, *International Narcotics Control Strategy Report*, March 2001, pp. V-26-V-36, using the more up to date data in the text when in conflict with the statistics chart. Seizures are measured in metric tons (mt), and eradication is measured in hectares (ha), with one hectare equaling 2.47 acres. Eradication figures in the INCSR are effective eradication estimates of the actual amount of crop destroyed, factoring in replanting, repeated spaying in one area, etc, while the larger figures supplied by the Mexican Government show raw estimates of areas sprayed. Data on ephedrine seizures were provided by the Embassy of Mexico for the reporting period December 1, 1999 to November 30, 2000.

Caution should be exercised in considering the changes in the various areas as an indication of Mexico's seriousness in controlling drug trafficking. The trends may also be affected by the demand for the drugs, the amount of drugs produced or available, the sophistication of the drug traffickers, the intelligence and capabilities of Mexican counter-drug agencies, the effectiveness of reporting and monitoring methods, the effect of weather conditions on eradication efforts, and competition from alternative drug suppliers.

Seizures of Drugs

With regard to Mexican seizures of drugs in 2000, the results portrayed in the table demonstrate some setbacks as well as successes compared to the results in the previous year that were unusually high.⁷

Seizures of cocaine, which many consider to be the key test, were down to 23.2 metric tons in 2000, a 31% decline from the seizures in 1999, and a 12% decline from the average seizures in the previous six years (1994-1999), but roughly equal to the performance in recent years except for 1997 and 1999. In this case, the decline in seizures might be viewed as a sign of lagging performance, as a sign of success from Mexico's commitment of about \$500 million over three years for interdiction technology to "seal the border" against the transit of drugs, or as a sign of the difficulty of capture as traffickers increasingly utilize multiple maritime avenues (including small go-fast boats, fishing vessels, and commercial carriers) and diverse overland routes. Yearly results may also be skewed by a limited number of large seizures, with some recent maritime operations resulting in the seizure of 3-8 metric tons of cocaine. Mexican government data for the reporting period of December 1, 1999 to November 30, 2000, shows seizures of cocaine at 27.6 metric tons, a 1% increase over seizures of 27.3 metric tons in the previous year, and the highest level of seizures in the last six years except for 1997.

Seizures of opium were also down to 0.41 metric tons, a 49% decline from the unusually high level in 1999, but a 32% increase from average seizures in 1994-1999, and the highest level of seizures in the last seven years except for 1999.

Seizure results in other areas were more positive. Seizures of heroin were up to 0.302 metric tons in 2000, a 17% increase from 1999, a 31% increase over the 1994-1999 average, and the highest rate in the last seven years except for 1996. Seizures of marijuana increased to 2,005 metric tons in 2000, a 37% increase over 1999, and a significant 105% increase over the average in 1994-1999, and the highest level of seizures within the last seven years. Seizures of methamphetamine increased dramatically in 2000 to 0.638 metric tons, a 78% increase over 1999, a 171% increase over the 1994-1999 average, and the highest level by far of seizures ever reported, suggesting the growth in importance of this drug. Seizures of ephedrine, as reported by Mexican officials, increased to 0.560 metric tons in 2000, a 53% increase over 1999, and a 24% increase over the 1997-1999 average, but an 81% decrease from the average for the 1995-1999 period with the extraordinarily large seizures in 1995 and 1996. The seizure of 23 illicit drug labs in 2000 was a dramatic increase as well, registering a 65% increase over 1999, and a 77% increase over the 1994-1999 period, for the highest number of seizures recorded on the chart.

According to new Attorney General Rafael Macedo de la Concha, narcotics seizures have increased significantly in the Fox Administration. In a report on the first 100 days of the new presidency, the Attorney General claimed that cocaine seizures had nearly doubled, that marijuana seizures were up 116%, and that heroin seizures

⁷ See CRS Report RL30475, *Mexico's Counter-Narcotics Efforts Under Zedillo, December 1994 to March 2000*, by K. Larry Storrs, p. 4.

climbed more than 500% compared to the first 100 days of the Zedillo Administration,⁸ but this would be a comparison to six years ago, and it is hard to know whether the pattern will be lasting.

Arrests and Extraditions of Drug Traffickers

As indicated in Table 1, the number of people arrested in Mexico on drug-related charges in 2000 increased in all categories. The numbers of arrests of foreigners were up 15% from 1999, to the highest level on the chart except for 1998, and the numbers of arrests of Mexicans and total arrests were up over 5% to the highest levels in the last seven years, except for 1996.

Among the key arrests in 2000 were the apprehensions of five members of the Arellano Felix or Tijuana cartel, with the most important being Ismael “El Mayel” Higuera Guerrero (chief operations officer) and Jesus “Chuy” Labra Aviles (financial manager), and lesser collaborators being Enrique Harari Garduno, Carlos Ariel Charry Guzman, and Ismael Higuera Avila. Other notable arrests where U.S.-Mexico cooperation was highlighted were the apprehensions of heroin traffickers Isaias and Juan Hernandez Ibarra, and the capture of Agustin Vazquez Mendoza after a six year manhunt on charges of killing a DEA agent in Phoenix, Arizona. Still other important arrests were the apprehensions of drug cartel collaborators Hugo Baldomero Medina Garza and Olegario Meraz Gutierrez. Along with the arrests, Mexico often seized important assets of drug trafficking and money laundering operations. While noting that none of the leading drug traffickers were arrested or convicted in 2000, the recent INCSR report states that the arrests and prosecutions were significant accomplishments involving “successful operational planning and execution, and a new level of interagency cooperation.”

Critics argue that Mexican authorities have failed to weed out corruption, to arrest major drug traffickers, to extradite Mexican citizens to the United States on drug-related charges, and to enforce the country’s anti-money-laundering legislation⁹. Major instances of drug-related corruption mentioned in the press include the apparent suicide in March 2000 of a senior official in Mexico’s federal Attorney General’s Office, Juan Manuel Izabal Villicana, on the eve of investigation of unexplained funds in his safe deposit boxes;¹⁰ the staged car accident/murder near Tijuana in April 2000 of three Mexican anti-drug agents who were probing the drug activities of the Arellano Felix cartel, and the subsequent implication in the murder of

⁸ Michael Riley, Mexico Drug Seizures Climb; Traffickers Being Extradited to U.S. for Trial, *Houston Chronicle*, March 16, 2001, p 22.

⁹ Acting under the authority of the Foreign Narcotics Kingpin Designation Act enacted in 1999, which strengthens the President’s authority to freeze the assets in the United States of foreign drug traffickers, President Clinton issued the first list of 12 international drug kingpins on June 1, 2000, including six well known Mexican drug cartel leaders.

¹⁰ See Molly Moore, Officials’ Deaths Raise Concerns in Mexico; Some Fear an Increase in Drug Cartel’s Power, *Washington Post*, March 10, 2000, p. A15.

four federal police agents and a Commander of the anti-drug agency;¹¹ and the arrest of Mexican Generals Francisco Quiroz Hermsillo and Mario Arturo Acosta in August 2000 because of links to the Amado Carrillo Fuentes trafficking organization.¹²

The Mexican government extradited a total of 12 persons to the United States in 2000, following the general pattern for the Zedillo Administration, with six persons, but no major drug traffickers, being extradited on drug-related charges. Those extradited on drug charges included three U.S. citizens, two Argentines, and one Mexican national. While previous Mexican policy and court decisions required that Mexican nationals wanted for crimes committed abroad be prosecuted in Mexico, the Zedillo Administration broke new ground by extraditing seven Mexican nationals and one dual U.S.-Mexican national to the United States between 1996 and 2000 on grounds that this was permitted under the U.S.-Mexico extradition treaty and Mexican extradition law in exceptional cases. Despite this stance, Mexican courts continued to be reluctant to approve extradition of Mexican nationals, even when recommended by the Mexican Foreign Ministry, and they freed several alleged drug traffickers after raising questions about the constitutionality and appropriateness of extraditions, especially where capital punishment or life sentences might be applied. At the end of 2000, there were 51 persons in Mexican custody pending extradition, including Agustin Vasquez Mendoza, Ismael Higuera Guerrero, and the brothers Isaias and Juan Hernandez Ibarra mentioned above.

In January 2001, the Mexican Supreme Court ruled that Mexican citizens may be extradited to the United States for prosecution on drug charges provided that they are sentenced under Mexican guidelines. This seemed to clear one legal hurdle, but the INCSR report notes that adverse lower court decisions on other issues, particularly the question of life imprisonment and capital punishment, continue to impede the extradition process and may do so until resolved by the country's highest court.¹³ While the favorable decision by the Mexican Supreme Court was issued during the period of the Fox presidency, the Bush Administration's Statement of Explanation for the Mexican Drug Certification noted that the decision was the culmination of sustained effort by the Zedillo Administration. In another favorable development, the Mexican Senate in December 2000 approved a protocol to the U.S.-Mexico extradition treaty, already approved by the U.S. Senate, that would permit the temporary surrender for trial of fugitives who are serving sentences in one country but are also wanted on criminal charges in the other country. Following the meeting of Presidents Bush and Fox in Mexico in mid-February 2001, officials are working to implement this temporary surrender protocol.

As the first president to be elected from an opposition party in 71 years, President Fox has promised to strengthen democracy and the rule of law in Mexico, and to fight corruption and crime. He has proposed the professionalization of the

¹¹ See Molly Moore, Three Mexican Drug Agents Found Slain; Killings Are Latest in Spate of Violence Around Tijuana, U.S. Border, *Washington Post*, April 13, 2000, p. A20.

¹² See Tim Weiner, Mexico Imprisons Two Generals, Longtime Suspects in Drug Cases, *New York Times*, September 2, 2000, p. A4.

¹³ *INCSR*, March 2001, pp. V-30 and V-31.

police under a new Public Security Ministry to deal with widespread public concerns with security and police corruption, and he has promised vigorous efforts against illicit drug traffickers. Shortly after taking office, he sent additional federal police to Tijuana and Juarez near the U.S. border and to the state of Sinaloa, three hot spots of drug trafficking and crime, but the police were subsequently removed without any dramatic accomplishments. Fox has been criticized for failing to act swiftly against corruption, and has been blamed for recent serious cases of drug-related corruption, including the escape from a high security prison in Jalisco in mid-January 2001 of reputed drug lord Joaquin "El Chapo" Guzman, and the escape from house arrest in Mexico City in mid-February 2001 of Jose Manuel Diaz, a high-ranking anti-drug official from Chihuahua being held on charges of selling police posts for up to \$1 million.¹⁴ Reacting to these events, President Fox announced a national crusade against drug trafficking on January 24, 2001, promising to eliminate corruption in the police and prison systems and to enhance law enforcement efforts against drug traffickers. Since then a large number of the prison officials in Jalisco have been questioned and charged, and many customs officials and anti-drug agents in the state of Chihuahua were removed from office.

Eradication of Illicit Crops

With respect to eradication of illicit crops, the results are somewhat complicated by the fact that with continuing declines in the area under cultivation, the potential area of harvest and the net potential yield may decline in a favorable way, even if there are reductions in the effective eradication estimates. The results are also complicated by the fact that Mexican data show raw estimates of areas sprayed, while the United States data show *effective eradication* estimates of the crop destroyed, factoring out repeated spraying in the same area and other variables.

The U.S. estimate of effective eradication of opium poppy cultivation in 2000 of 7,600 hectares was 4% lower than in 1999, and 6% lower than the average effective eradication in the 1994-1999 period. However, with the continuing decline in total area under cultivation combined with severe drought, the estimated potential harvest was only 1,900 hectares, a 47% decline from 1999, and a 61% decline from the average harvest for 1994-1999. This produced a potential yield in 2000 of only 24 metric tons of opium gum, a 55% decline from 1999, and a new record low.

The U.S. estimate of effective eradication of Mexican marijuana in 2000 was 13,000 hectares, a 33% decline from the unusually high level in 1999, but a 9% increase over the average for 1994-1999. Given the general decline in the area cultivated, the estimated potential yield of marijuana was up very slightly from 1999 to 7,000 metric tons, but lower than all recent years except 1994 and 1999.

¹⁴ See Mary Jordan and Kevin Sullivan, Mexico Moves Slowly to Confront Past; Fox's Government Split Over Probe of PRI, *Washington Post*, January 22, 2001, p. A1; Kevin Sullivan, Mexicans Question Escape of Drug Lord; Fox Vows Action on Crime, Prisons, *Washington Post*, January 25, 2001, p. A16; Henry Tricks, Mexican Drug Gangs Stay Well Beyond the Short Arm of the Law; A National Crusade Against Organized Crime Could Meet Its Waterloo on the Narcotics Front, *Financial Times*, February 1, 2001, p. 5.

According to the Statement of Explanation for Mexico's Drug Certification, "Mexico's eradication program is one of the largest and most aggressive in the world." In an Administration briefing on the certification decisions on March 1, 2001, Robert Brown, the Acting Deputy Director of the Office of National Drug Control Policy (ONDCP) characterized Mexico's efforts as "extraordinary," record-setting," and "world class."

Mexico's Counter-Narcotics Cooperation with the United States

U.S.-Mexico counter-narcotics cooperation increased substantially during the Administration of President Zedillo (1994-2000), with the full range of law enforcement, military, and border and drug control agencies being involved. While the flow of drugs from Mexico remains high and incidences of corruption persist, the Clinton Administration seemed to be confident that President Zedillo was committed to rooting out corruption and establishing a close working relationship with the United States in this area. At the highest diplomatic level, there is the Binational Commission, established in 1977, which brings cabinet-level officials together once a year to discuss the full range of U.S.-Mexico relations, including legal and anti-narcotics affairs. With a specific focus on counter-narcotics issues, the High Level Contact Group (HLCG), established in 1996, provides for cabinet-level coordination twice a year. Subordinate HLCG working groups on money laundering, demand reduction, arms trafficking, and interdiction meet several times per year to coordinate policies, exchange information, and promote conferences, such as the Binational Conferences on Reduction of Drug Demand, held in 1998, 1999, and 2000. The Mexico-U.S. Senior Law Enforcement Plenary, coordinated by the two Attorneys General, also meets four or five times a year on law enforcement issues.¹⁵

Acting through these groups, the two countries agreed in May 1997 upon an Anti-Drug Alliance during a visit to Mexico by President Clinton. The leaders developed a draft joint strategy in November 1997, when President Zedillo visited Washington, and the two Presidents signed a protocol to permit temporary extradition of cross-border criminals for trial, and a hemispheric convention against illegal firearms trafficking. More recently, the two leaders issued the joint anti-drug strategy in early February 1998, and they agreed on methods for coordinating activities in June 1998 despite Mexican displeasure with Operation Casablanca, a U.S. undercover operation aimed at money laundering operations. The presidents signed agreements on law enforcement cooperation and implementation of performance measures of effectiveness for the joint strategy when President Clinton visited Mexico in mid-February 1999, and the two governments decided in November 1999 to establish a new interdiction working group under the High Level Contact Group. In cooperative efforts to control money laundering, Mexico signed a Memorandum of Understanding with the United States in January 2000 to facilitate the tracking of large sums of

¹⁵ For a good summary see Mexico and United States, Main Results of the Mexico-U.S. Binational Cooperation Against Illicit Drugs (1995-2000), available on the Internet at [http://www.whitehousedrugpolicy.gov/international/binational_1995_to_2000/index.html].

money between the countries, it joined the global Financial Action Task Force and the regional Caribbean Financial Action Task Force in mid-year 2000, and it passed domestic legislation to strengthen reporting of large value domestic currency transactions in January 2001. Leaders of the two countries were also negotiating new agreements on cooperative chemical control efforts and on the reciprocal sharing of seized assets that will supersede a 1995 agreement.

During the Clinton Administration, the United States government was actively involved in the training and screening of Mexicans involved in several important new law enforcement agencies, including the following: the Mexican anti-drug agency, called the Special Prosecutor for Crimes Against Health (FEADS), the Organized Crime Unit which implements the new Organized Crime Law; the anti-drug bilateral Border Task Forces (BTFs); and a Financial Intelligence Unit which implements new anti-money laundering legislation. In addition, the two countries conducted exchanges of judges and prosecutors in recent years. In 1999, to strengthen law enforcement efforts, the Mexican Congress passed legislation codifying the use of assets seized in counter-narcotics operations, and created a new office in the Ministry of the Treasury to manage these assets. The Mexican government also issued regulations that specified reporting requirements for the importation of precursor chemicals, and shared information regularly with other governments.

In the area of military-to-military cooperation, the United States during the Clinton Administration provided unprecedented counter-narcotics training to Mexican military personnel, and it provided some military equipment, although the 73 Huey helicopters provided in 1996 were returned to the United States in 1999 when they proved to be unsatisfactory. In 2000, the Interdiction Working Group developed a protocol to facilitate communications between the countries, and coordination of maritime interdiction operations has increased significantly, according to the recent INCSR report.

Officials of Mexico and the United States have also cooperated extensively on United Nations (U.N.) and Organization of American States (OAS) anti-drug activities in recent years. They worked together with other governments on the agreement of the Inter-American Drug Control Commission (CICAD) in October 1999 to adopt a multilateral evaluation mechanism (MEM) to assess all member countries' counter-narcotics performance, and they participated in the first test of this system in 2000.

Following the recent elections and inaugurations of new presidents in the United States and Mexico, President Bush, on his first foreign visit, met with President Fox in Guanajuato, Mexico, in mid-February 2001, and the two leaders pledged to pursue a "partnership for prosperity." On drug trafficking issues, they agreed to strengthen law enforcement cooperation in accordance with each country's national jurisdiction, and in the joint press conference, President Bush indicated that he had confidence in President Fox's efforts to control corruption and drug trafficking in Mexico. On March 1, 2001, President Bush certified that Mexico had cooperated fully with U.S. counter-narcotics efforts, citing arrests of drug traffickers and impressive eradication results in 2000. According to the recent INCSR report, the prospects for the future present hope as well as danger: "The Fox Administration has pledged its commitment to combating drug traffickers and ending impunity.... These commitments offer

unprecedented opportunities for greater cooperation and mutual assistance with the [United States]. However, corruption and the ability to implement proposed reforms present significant hurdles for success of the [Government of Mexico's] counterdrug strategy.”