

**PREPARED STATEMENT OF  
Brian A. Nichols, Deputy Assistant Secretary of State for  
International Narcotics and Law Enforcement Affairs  
before the House Committee on Homeland Security  
Subcommittee on Oversight, Investigations, and Management  
Hearing on “The U.S. Homeland Security Role in the  
Mexican War against Drug Cartels”**

**Thursday, March 31, 2011, 10:00am**

Chairman McCaul, Ranking Member Keating, and Members of the Subcommittee, thank you for the opportunity to discuss the Department of State’s support for and partnership with the Government of Mexico and its efforts to combat illicit crime, and drug trafficking organizations (DTOs).

Mexican DTOs control the flow of approximately 95 percent of cocaine and significant amounts of other drugs that flood neighborhoods throughout the United States each year. Because U.S. demand for these drugs is a principal source of revenue for Mexican DTOs, we have a shared responsibility for, and interest in, confronting this threat.

In 2007, the U.S. and Mexican governments agreed to a significant collaboration to enhance Mexico’s capacity to counter narcotics traffickers, and build effective justice sector institutions. The Department of State worked closely with the Government of Mexico (GOM) to develop programming and resource proposals that would accomplish our shared objectives. The resulting Mérida Initiative includes more than 50 separate assistance projects, implemented by the Department of State, USAID and a number of U.S. Government law enforcement agencies, including U.S. Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) within the Department of Homeland Security (DHS), and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) and Drug Enforcement Administration (DEA) within the Department of Justice (DOJ). Under Mérida, we have provided significant technical assistance and equipment ranging from complex IT systems, communications gear, helicopters and judicial reform programs that have strengthened the Government of Mexico’s ability to degrade DTO activity.

**Situation in Mexico and the GOM Response**

The Government of Mexico has tallied over 36,000 cartel-related deaths since President Calderon took office over four years ago, with over 15,000 murders in 2010 alone. The violence is increasingly brazen, as attacks happen in public spaces and are increasingly targeting women and children. February’s attack on two ICE agents that resulted in the death of U.S. Special Agent Jaime Zapata also took place in broad daylight along a busy highway. Certain regions in Mexico have also seen increased local street gang activity that is less subordinate to the established cartels, and more indiscriminate in targeting victims. It was one of these local gangs that murdered three people associated with the U.S. Consulate General in Ciudad Juarez in March 2010. Difficult economic conditions provide limited opportunities for Mexico’s youth, which makes criminal activity an attractive option, despite the risks.

Meanwhile, cartel activities have expanded into extortion, kidnapping, immigrant smuggling, protection rackets, and domestic drug retailing, making these illicit enterprises more profitable and violent than ever.

To counter these disturbing trends, President Calderon and his Administration have undertaken the most significant steps in Mexico's history to confront and dismantle illicit narcotics enterprises, including the wholesale reform of Mexico's justice sector, building institutions that will be able to deal with the DTO threat far into the future. President Calderon's administration has committed significant political capital and financial resources to this effort. Since the beginning of the Mérida Initiative, the Government of Mexico has grown its financial commitment to this shared objective, increasing its spending on order, security, and justice projects from \$69.6 billion pesos (approximately US\$5.8 billion) in its 2008 budget to \$131.9 billion pesos (approximately \$10.7 billion) in its 2011 budget. Mexico's 2011 budget for order, security, and justice projects is alone more than six times the \$1.5 billion appropriated under the Mérida Initiative.

President Calderon has also made justice sector reforms a priority, including federal, state, and local police, prosecutors, judges, and corrections systems. The centerpiece of these reforms is Mexico's transition from an inquisitorial civil code judicial system to an accusatorial system similar to our common law that uses transparent oral trials and relies more heavily on physical evidence. Under the constitutional reform, the new system must be implemented by 2016, but a major push will be needed if this deadline is to be met.

Additional reforms are being implemented to ensure transparency and public accountability. For example, to mitigate pervasive corruption, Mexico has systematically removed thousands of government officials from duty and is developing extensive internal controls, including background checks and polygraphs, as well as enhanced standards for recruitment and professional integrity. The Secretariat of Public Security (SSP) manages Plataforma Mexico, a sophisticated computer system, which has automated and consolidated much of the public information records in Mexico to conduct more effective investigations, track criminals and prevent corruption. Mexican Customs is restructuring its career paths, instituting additional internal controls, removing corrupt contract workers and recruiting and training a higher caliber of officer. These examples are illustrative of the efforts that President Calderon has championed across all Mexican Government agencies.

## **The Mérida Initiative**

U.S. foreign assistance to Mexico under the Mérida Initiative is organized around a four pillar strategy that aims to: 1) disrupt the capacity of organized crime to operate; 2) institutionalize reforms to sustain the rule of law and respect for human rights; 3) create a 21st century border; and 4) build strong and resilient communities. Under each of these pillars and at each stage of programmatic development, the Department of State works directly with our Mexican partners to meet our shared objectives. While this substantial working-level coordination prolongs the timeline for program planning and execution, it is critically important to ensure that the Mérida Initiative remains a Mexico-led program that will be sustainable.

Since its inception, programming under the Initiative has yielded many concrete results. For example, U.S. and Mexico law enforcement cooperation against cartels has resulted in over 20 DTO leaders being arrested or killed since December 2009, including Mexico's operation targeting La Familia Michoacana in December 2010, which led to the reported death of its leader, Nazario Moreno. Mexico has also supported U.S. law enforcement operations named Xcellerator, Coronado, and Deliverance, that resulted in thousands of arrests of Mexico-linked traffickers in the United States. Today's unprecedented levels of bilateral law enforcement cooperation would likely not have been realized absent the Mérida Initiative.

Appropriately trained and vetted police are critical elements of Mexico's counternarcotics operations, but so too is the enhanced capability of the Government of Mexico to rapidly respond to law enforcement intelligence.

Mérida assistance has already provided 11 helicopters to Mexico: eight Bell-412 helicopters to the Mexican Defense Secretariat (SEDENA) and three UH-60M Black Hawks to Mexico's Federal Police. A software package, laptops and training provided to Mexico's Attorney General's Office under Mérida, a Spanish language version of ATF's *eTrace*, traces the origin of captured firearms and has provided evidence that led to convictions of Arizona gang members who were trafficking weapons. Building on this initial success, the use of *eTrace* will soon be expanded to the Mexican Federal Police.

As these examples illustrate, Mérida programming has already yielded success. The Mérida program recognizes that traditional police functions, while critically important, only represent one piece of the much larger criminal justice sector that we and our Mexican counterparts hope to enhance. Since the start of Mérida, more than 4,500 Mexican SSP officers have graduated from Mérida-supported investigation training programs. These officers are now deployed throughout Mexico, transforming the way crimes are investigated and prosecuted at the federal level. Mérida is implementing a whole-of-justice sector approach where U.S. foreign assistance funds are used to train federal police, prosecutors and judges, and corrections officials, with a focus on training trainers. While most of the training to date has focused on federal-level officials, we also recognize that since over 90% of crimes in Mexico are investigated and tried at the state and local level, significant investment also needs to be made to transform the institutions at those levels.

Along our shared border we are working together to ensure that customs and migratory controls expedite the flow of legitimate trade and travelers, while allowing law enforcement authorities to prevent the illicit movement of drugs, guns, bulk cash, and people. Both governments are investing in new and expanded ports of entry. Mérida funds have procured non-intrusive inspection equipment (NIIE), biometric immigration systems, canine inspection teams, and training for Mexico's border officials. We are also helping our Mexican partners establish a new customs academy, which will train customs enforcement officers.

Finally, our assistance is also helping to support Mexican States to build strong and resilient communities, including programming already underway in Ciudad Juarez. USAID programming has already yielded a comprehensive baseline evaluation on the existing demographic, health, economic and social conditions in Juarez that has been shared with the

GOM and posted online for the general public. USAID's youth program also provides safe spaces for disadvantaged young people, strengthening and expanding after school and summer programs, and preparing Mexican youth for viable futures through self or salaried employment. Under the Mexican Government's *Todos Somos Juarez* program, the government has engaged local community groups to upgrade common spaces, keep youth out of criminal enterprises and to create new, positive role models. Mérida programs are being designed for violence prevention and crime mapping, as well as substantial drug demand reduction programs that provide training and certification in drug treatment and prevention. An anonymous citizens' complaints project will provide more secure means for Mexican citizens to provide crime and corruption related tips to the Mexican police. In addition, culture of lawfulness projects are teaching values and ethics to a wide range of Mexican audiences, including the media, school children and government employees.

### **Looking Ahead**

Managing a program that has increased U.S. assistance to Mexico from \$40 million/year to roughly \$500 million/year is a complex undertaking. Since the Mérida Initiative began, \$408 million in assistance has been delivered to Mexico, including training, conferences and other events for over 72,000 Mexican justice sector and civil society actors; 67 advanced non-intrusive inspection equipment devices; 318 polygraph machines; 11 aircraft; and many other items. The Mexican government is a full partner in this process, and our implementation of the Mérida Initiative depends on Mexican concurrence with each and every element.

To support our joint efforts, The State Department has increased its implementation and program staff from 21 people in 2008 to 112 today in Washington and Mexico City. These officers develop programs, manage procurements, and coordinate activities with Government of Mexico counterparts, as well as provide oversight and accountability. For these reasons, we believe that the Mérida Initiative is on a strong track. This calendar year we expect to deliver \$500 million in assistance, including 5 of the 11 remaining aircraft provided under the Initiative, up to \$100 million in non-intrusive inspection equipment, and over \$100 million in critical IT equipment for Mexican institutions.

### **Closing**

The Four Pillar strategy has provided a balanced and flexible approach to our work in Mexico, incorporating programs that target cartels, build institutions, modernize the border, and build strong communities. It has also advanced our vision of a whole of government effort to provide specialized U.S. expertise to our Mexican counterparts in a peer-to-peer manner.

Following the Government of Mexico's lead and our joint planning, we are currently expanding the focus of our assistance to state and local institutions. And after the delivery of sophisticated and expensive equipment peaks in 2011, we will begin to see the shift away from aircraft and other expensive equipment and towards supporting institutional reforms and capacity building through more training and technical assistance.

The Mérida Initiative is a long-term endeavor that reaffirms our commitment to improving the security and safety of citizens in both the United States and Mexico, builds upon our deep ties, and emphasizes mutual respect and responsibility in meeting challenges. We will continue to work closely with the Government of Mexico through the Mérida Initiative and other avenues to achieve these goals.

Thank you for your support of this important initiative. I look forward to your questions.