

**OVERSIGHT OF FEDERAL DRUG INTERDICTION  
EFFORTS IN MEXICO: REVIEW OF A RISING  
NATIONAL SECURITY THREAT**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY,  
INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE  
OF THE

COMMITTEE ON GOVERNMENT  
REFORM AND OVERSIGHT  
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

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JUNE 12, 1996  
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# OVERSIGHT OF FEDERAL DRUG INTERDICTION EFFORTS IN MEXICO: REVIEW OF A RISING NATIONAL SECURITY THREAT

WEDNESDAY, JUNE 12, 1996

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON NATIONAL SECURITY,  
INTERNATIONAL AFFAIRS, AND CRIMINAL JUSTICE,  
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:10 a.m., in room 2154, Rayburn House Office Building, Hon. Robert L. Ehrlich, Jr. (vice chairman of the subcommittee) presiding.

Present: Representatives Ehrlich, Mica, Souder, Thurman, and Slaughter.

Also present: Representatives Hastert and Cummings.

Staff present: Robert B. Charles, staff director and chief counsel; Ianthe Saylor, clerk; Michele Lang, special counsel; Sean Littlefield, professional staff member; and Cherri Branson and Dan Hernandez, minority professional staff members.

Mr. EHRLICH. The subcommittee will come to order. Good morning, and thank you for coming. Today, we will hear testimony from four distinguished panels, each speaking on an issue of increasing urgency. That issue is the rising threat to American security posed by the four, newly-emergent and undeniably powerful cartels on our Southwest border.

Specifically, we will address national drug policy and the action or inaction of Mexico in prosecuting counternarcotics efforts during the past year.

We are privileged to have with us some leading figures in the drug war, including Senator Grassley, who is head of the Senate's International Counternarcotics Caucus and serves as cochairman with Senator Hatch and Congressmen Zeliff and Hyde, of the Senate-House Drug Policy Task Force. By the way, Senator Grassley is held up in the Senate, we are informed. After opening statements, if he is not present we will go to panel No. 2, Mr. Nelson.

Senator Grassley will be followed by two General Accounting Office investigators who will release at this hearing a cutting-edge GAO investigation into the role that Mexico has played, or failed to play, in the drug war over the past 12 months. That GAO investigation, which follows another outstanding GAO report on Transit Zone Interdiction released last month, was requested by Senator Grassley and Congressman Zeliff. Both reports are available, by the way, on the back table.

The report that is being released today, and which both Senator Grassley and the investigators will discuss, is significant for several important reasons: first, it adds new insights into a growing national security threat posed to all Americans by four powerful, well-financed, and violent Mexico drug cartels; second, it illustrates the degree to which Mexican authorities are becoming overwhelmed or are failing to sustain the society-wide commitment necessary to preserve their own stability and turn back the tide of illegal drugs that is sweeping north into American cities; third, this report clearly documents, as prior reports have, the policy failures of this administration in this "war on drugs."

We will also receive testimony today from leading members of the administration, including the Commissioner of the U.S. Customs Service, Mr. George Weise, and the Drug Enforcement Administration's Chief of Operations, Mr. Harold Wankel.

Today, our kids have drugs available to them for 1/20th the price those same drugs sold for only a few years ago. There are kids who now can get a rock of crack for \$5, enough to ruin the rest of their lives. These are the kids Mrs. Reagan talked about when she testified before this subcommittee 1 year ago. And they are the kids who now confront marijuana 25 times more potent than what existed in the 1960's; heroin that is 60 percent pure instead of 10 percent; and LSD being marketed with pictures of the Lion King and Mickey Mouse to 8-year-olds.

In 1995, overall drug-related emergency room episodes jumped 12 percent. Cocaine-related episodes jumped 21 percent. Heroin-related episodes rose 27 percent.

Too few policymakers and members of the press recognize the enormity of the challenge we confront. Last year, 400 tons of cocaine were shipped into the United States, 70 percent of it through Mexico. Mexico produced 150 tons of methamphetamine, most of which ended up on United States streets. Yet the President certified that Mexico is "fully cooperating with United States counternarcotics efforts." Shouldn't we expect more from Mexico? That is one question I hope to get an answer to in this hearing.

In closing, let me sound a note of optimism. I have heard those who say we cannot win the war on drugs or we cannot permanently disrupt the production and distribution of cocaine, heroin and marijuana. In my view, we cannot afford not to win. Moreover, with the right strategy, leadership, funding, and coordination, I am convinced—I'm sure we all are convinced—that we can win.

A former DEA Administrator and Federal judge, Judge Robert Bonner, delivered that same message to the subcommittee a year ago. He testified that between 1985 and 1992, regular drug users fell by 80 percent, from 5.8 million to 1.3 million. Crack use declined from nearly 1 million in 1990 to just over 300,000 in 1992, and marijuana use plummeted from 22 million regular users in 1985 to 8.5 million in 1992, a 61-percent decrease. Unfortunately, at the national level, we are still a long way from winning this war. We genuinely need leadership.

As of last year, drug use is up for juveniles in virtually every drug category: heroin, crack cocaine, LSD, et cetera. In 1995, one in three high school seniors had smoked marijuana and three-quarters of a million more teenagers used drugs than in 1992, reversing

a decades-long trend, something we have discussed in the subcommittee for a year.

In September of last year, the Justice Department released an alarming study that now predicts drug-related violent juvenile crime will double by the year 2010 if we do not turn back drug use now. In the final analysis, we need better funding and a rebirth of moral leadership in this country.

In 1992, President Bush committed \$1.5 billion to drug interdiction; in 1993, President Clinton cut that figure by \$200 million out of the interdiction effort. The President removed Customs aircraft, intelligence assets, cutters, flying hours, and personnel from the drug war. We detailed much of this in our March 1996 annual subcommittee report.

In 1994, the administration again cut interdiction by \$18 million, and in 1995 by another \$15 million. In a 1996 strategy released last month, the President put drug interdiction at a level still \$100 million below the 1992 level and source country programs at \$123 million below 1992 levels.

Today's hearing is just one step on the path back to what works. This is a war, but it is a winnable war. We have to be committed ourselves and we have to call upon our friends in Mexico to grab the reins they have let drop. If we do not soon witness a return to leadership on this issue, especially from this administration and this Congress, the impact on our society could become, in a word, irreversible.

I will now defer to the ranking member of the subcommittee and my friend from Florida, Mrs. Thurman. Thank you, Karen, for being here. And for the record, you may continue to refer to me as Mr. Chairman both inside and outside this room. Thank you.

[The prepared statement of Hon. Robert L. Ehrlich, Jr., follows:]

**Good Morning everyone and thank you for coming. Today, we will hear testimony from four distinguished panels, each speaking on an issue of increasing urgency. That issue is the rising threat to American security posed by the four, newly emergent and undeniably powerful drug cartels on our Southwest border.**

**Specifically, we will address national drug policy and the action -- or inaction -- of Mexico in prosecuting counter-narcotics efforts during the past year.**

**We are privileged to have with us some leading figures in the Drug War, including Senator Chuck Grassley, who is head of the Senate's International Counternarcotics Caucus, and serves as Co-Chairman, with Senator Hatch and Congressmen Zeff and Hyde, of the Senate-House Drug Policy Task Force.**

**Senator Grassley will be followed by two General Accounting Office investigators who will release, at this hearing, a cutting-edge GAO investigation into the role that Mexico has been played -- or failed to play -- in the Drug War over the past 12 months.**

**That GAO investigation, which follows another outstanding GAO report on Transit Zone Interdiction released last month, was requested by Senator Grassley and Congressman Zeff, Chairman of this Subcommittee.**

**Both reports are available, by the way, on the back table.**

**The report that is being released today, and which both Senator Grassley and the investigators will discuss, is significant for several reasons.**

**First, it adds new insights into a growing national security threat posed to all Americans by four, powerful, well-financed and violent Mexican drug cartels.**

**Second, it illustrates the degree to which Mexican authorities are becoming overwhelmed, or are failing to sustain the society-wide commitment necessary to preserve their own stability, and turn back the tide of illegal drugs that is sweeping north into American cities.**

Third, this report clearly documents -- as prior reports have -- the degree to which the Clinton Administration has -- either intentionally or by unforgivable indifference -- backed away from the Drug War.

We will also receive testimony today from leading members of the Administration, including the Commissioner of the U.S. Customs Service, Mr. George Weise and the Drug Enforcement Administration's Chief of Operations, Mr. Harold Wankel.

Speaking frankly, the victims of this President's disinterest can be found in every state and every city in this great country. They are kids -- kids who now have drugs available to them for one-twentieth the price those same drugs sold for only a few years ago.

They are kids who now can get a rock of crack for 5 dollars -- enough to ruin the rest of their lives. These are the kids Nancy Reagan talked about when she testified before this subcommittee a year ago.

And they are the kids who now confront marijuana 25 times more potent than what existed in the 1960s, heroin that is 60 percent pure instead of 10 percent, and LSD being marketed with pictures of the Lion King and Mickey Mouse to 8 year olds.

For those who say that President Clinton's cuts in interdiction and source country programs, or his conscious shift in emphasis from drug prevention to drug treatment, doesn't matter -- let me say I think the facts say something else.

Over the past three years, the United States has witnessed a 200 percent increase in drug use by children -- kids ages 8 to 17. Last week, for the fourth year in a row, the Drug Abuse Warning Network, which collects emergency room data from across the nation, reported record-level emergency room admissions for cocaine, heroin, meth-amphetamines, and THC or marijuana.

In 1995, overall drug-related emergency room episodes jumped 12 percent. Cocaine-related episodes leaped up 21 percent. Heroin-related episodes rose 27 percent.

THC or Marijuana-related emergencies, as a result higher purities and the lacing of marijuana with PCP, were up 32 percent. And meth-amphetamine emergencies were up 35 percent.

These drugs are destroying lives, mostly young lives, in record numbers ... On top of this, the cost of drug abuse and drug-related crime to our society is estimated to be somewhere between \$67 billion and \$500 billion annually.

The fundamental fact is that America is under siege. Illegal drugs, drug-related crime and the narco-traffickers are waging a direct attack on our society, an attack that targets our children and grandchildren.

Too few policy makers and members of the press recognize the enormity of the challenge we confront. Last year, 400 tons of cocaine was shipped into the U.S., 70 percent of it through Mexico. Mexico produced 150 tons of meth-amphetamine, most of which ended up on U.S. streets.

Yet the President certified that Mexico is "fully cooperating" with U.S. counter-narcotics efforts. Shouldn't we expect more from Mexico? That is one question I hope to get an answer to in this hearing.

In closing, let me sound a note of optimism. I have heard those who say we "cannot win" the drug war or we "cannot permanently disrupt" the production and distribution of cocaine, heroin and marijuana. In my view, we cannot afford NOT to win. Moreover, with the right strategy, leadership, funding and coordination, I am convinced we can win.

Former DEA Administrator and Federal Judge Robert Bonner delivered that same message to this Subcommittee a year ago. He testified that between 1985 and 1992, regular drug users fell by 80 percent, from 5.8 million to 1.3 million. Crack use declined from nearly a million in 1990 to just over 300,000 in 1992 and marijuana use plummeted from 22 million regular users in 1985 to 8.5 million in 1992, a 61 percent decrease.

Unfortunately, at the national level, we are still a long way from winning. We genuinely need leadership. As of last year, drug use is up for juveniles in virtually every drug category -- heroin, crack, cocaine, LSD, non-LSD hallucinogens, stimulants, inhalants and marijuana.

In 1995, one in three high school seniors has smoked marijuana, and three-quarters of a million MORE teenagers used drugs than in 1992, reversing a decade-long downtrend.

In September of last year, the Justice Department released an alarming study that now predicts drug-related violent juvenile crime will double by the year 2010, if we do not turn drug use back now.

In the final analysis, we need better funding and a rebirth of moral leadership. In 1992, President Bush committed 1.5 billion dollars to drug interdiction. In 1993, President Clinton cut \$200 million out of the interdiction effort. The President removed Customs aircraft, intelligence assets, cutters, ship days, flying hours and personnel from the Drug War. We detailed much of this in our March 1996 annual subcommittee report.

Sadly, in 1994, the Administration again cut drug interdiction by \$18 million, and in 1995, by another \$15 million. In the 1996 strategy, released last month, President Clinton has put drug interdiction at a level still \$100 million below the 1992 level, and source country programs \$123 million below 1992 levels.

Today's hearing is just one step on the path back to what works. Like it or not, we have to return to the right priorities. This IS a war, and it is DEADLY. But is also WINNABLE. We have to be committed ourselves, and we have to call upon our friends in Mexico to grab the reigns they have let drop. If we do not soon witness a return to leadership on this issue, especially from the Administration, the impact on our society could become - in a word -- irreversible.

Mrs. THURMAN. It would be my honor, Mr. Chairman, and I will make my remarks real brief. Mr. Chairman, Mexico and drugs have been linked for more than a decade, and the situation does not seem to be improving. I have found few documents as disturbing as the GAO report being released today and the State Department's 10 pages on Mexico released in March.

Unfortunately, people who served in Congress before me heard and read very much the same thing 10 years ago. Little has changed politically in Mexico: corruption remains systemic; drugs flow freely into and out of that country; few drug kingpins are arrested and fewer convicted; successive governments make promises that they cannot or will not keep, et cetera. If Mexico is cooperating on narcotics control measures, then we will be in big trouble for years to come.

Because Mexico decided to fund its own control program in 1993 and because a new United States-Mexico strategy will not be available until the end of this year, our narcotics control program may be 3 years behind schedule. I want to believe that this administration will back up its words with actions, but I am skeptical. I want to believe that the new United States-Mexico will succeed, but I am dubious.

Mr. Chairman, I hope, as I call you Mr. Chairman here and outside of this room, after you complete your hearings on what is wrong with our drug strategies, I hope that we will again invite General McCaffrey back to respond to these reports and give us any up-to-date information that he may have to offer on this. So I look forward to our testimony today and thank you for this opportunity. We welcome all of the witnesses.

Mr. EHRLICH. Mr. Hastert.

Mr. HASTERT. I had the privilege with Mr. Zeliff and others to travel to Mexico. And understanding the great deal of national pride that the Mexicans have sometimes makes it difficult to communicate some of our mutual problems, but I think we went a long way in doing that and met with the Mexican Congress and discussed some of the mutual issues.

But the facts still remain that 70 percent of the cocaine that comes into this country comes through Mexico; that the Colombian Government is very much involved in working with Mexican nationals who move drugs across the border. It is a problem that we need to address. It is a problem that we need to work at very closely with the Mexican Government. We had the privilege of meeting with the President of Mexico. He recognizes this issue as one of the greatest threats to Mexico itself, not only to its economy but to its youth. And it is a very grave situation.

And I look forward to the testimony that we have today and look forward to future opportunities to work with the Mexican Government to try to solve this problem. Thank you, Mr. Chairman.

Mr. EHRLICH. On a personal note, I would like to welcome formally to the subcommittee my former colleague from the Maryland General Assembly, Congressman Elijah Cummings. It is great to see him in Congress. I welcome him as a former colleague and, at this time, would ask for any opening statements.

Mr. CUMMINGS. Thank you very much, Mr. Chairman and to members of the committee. To our witnesses, I thank you for being

here. I have not traveled to Mexico. I have not traveled to see our efforts with regard to drug interdiction. But one thing I do do, I travel to the center of Baltimore city every day. And I see the results of drugs flowing into our State and certainly into our country.

I think it was the head of the Coast Guard who said to this subcommittee that if there is a will, if there is a will to do it, and if there is a will to do what is necessary to be done to do it, it can be done. So I agree with you, Mr. Chairman, this war can be won. The question is are we going to make it the super-priority that it needs to be?

Over this weekend, I had an opportunity to attend 22 graduations and speak at all of them in my district. And as I looked at those young people, I was just amazed that we had had a situation where, in some schools, only one-tenth, of those young people who started in the 9 grade graduated in the 12. And then when I go to the corners in my district, within two or three blocks from my home I see where they are. They are standing on the corners, going nowhere fast.

And so I say that, Mr. Chairman, because I want to make it clear that my priority is to see that we effectively address the problem and, at the same time, be cost-efficient. And so I welcome our guests and I look forward to hearing the testimony. Thank you.

Mr. EHRLICH. I know we've had this conversation for years, and I welcome your commitment with respect to this issue. At this time, I would like to recognize my fellow freshman, Congressman Souder.

Mr. SOUDER. Thank you, Mr. Chairman. It is a privilege to be here today. I'm sorry I missed some of the opening comments, so some of my comments may be redundant of Congressman Hastert, who led our codol to Mexico and to Central and South America.

Yesterday, I had an amendment to the Foreign Operations bill that passed, as it did last year, that would restrict funding to Mexico if they do not prove that they are making efforts on narcotics interdiction. As Congressman Hastert—I heard him say at the end, which I agree with, and that was I was personally impressed with President Zedillo's commitment to trying to crack down on narcotics. He was very eloquent in his commitment, as were members of the House and Senate in Mexico and the Foreign Minister and others.

They understand that if they don't get control of the narcotics sales and the power structure in the narco trafficking, that that is the greatest threat to their democracy. In particular, President Zedillo is trying to do, much like we Republicans are trying to do here in Washington, in pushing power down to the regional governments in Mexico, trying to have more power in the local cities rather than having it all centralized in the capital city.

That is threatened by having narco-terrorists in multiple regions of Mexico because whenever in an area, the smaller the governmental unit, the more danger there is of that unit being taken over by the amount of money and the guns and weapons that these people often have and the influence they have.

And therefore, his efforts to democratize and move democracy through Mexico are directly threatened by that, as well as eventually what happens in many of these countries in addition to, they

may initially start selling United States that money starts—the drugs themselves start to be used by their people and start to destroy the social fabric of their nations, just like it has ours.

And I also want to grant that much of what we heard in Mexico and Central and South America was the insatiable demand in America is what is partly driving their countries to be more at risk in their democracies to be more at risk of narco-terrorism and of being destroyed by the money that is coming in illegally and through these harmful substances. At the same time, one of the things that we have to grant here is that more and more of the drugs seem to be coming in from Mexico and we are getting inundated through this transit zone. And have to not just have the same level of commitment, but an increasing level of commitment, from the Government of Mexico to try to crack down on this, or both of our countries are going to drown.

And in Indiana we already are struggling with the question of NAFTA. Like many other places, we struggle with the immigration question. We struggle with whether or not we should have used the moneys to support the peso and the idea that our children may be getting killed and shooting each other and destroying their lives, as well as adults, with drugs that are pouring across the Mexico border increasingly easily because of the trade agreements causes a lot of heartburn.

And we need to work with those who I believe sincerely want to work with us in Mexico. We need to work hand in hand to try to combat this because it's a threat to both countries. But we need to see the increasing and steady commitment of the Government and, thus, the amendment yesterday to put that pressure on, the hearing today to try to track what we are doing along the border and other places and to, hopefully, do along the border with Mexico and through Mexico what we have been able to do in other countries, and that is make the cost of distribution in the United States so high that they move to other places that are even more costly.

That is really our biggest hope until we destroy our demand in this country, which I don't think will ever be completely achievable. We are always going to have drugs coming in. But we can up the cost of drugs, force them to water the drugs down so the purity isn't as high, and at least make it so marginal people aren't getting involved in the drug abuse.

So I commend the chairman for this hearing today. I think it is another important effort of this committee to focus on all the aspects on a continuing and logical basis from the grassroots level to the international level to the different divisions of the drug war. I yield back.

Mr. EHRlich. I thank you for your remarks. This issue cuts across every possible line you can think of: Class, race, religion, ethnic background, region of the country. We are all represented by different regions on the subcommittee.

Your being here and your efforts representing leadership and the commitment leadership has shown to this issue, which I think and many of us think is the No. 1 issue in this country today. It is really appreciated, so we all thank you very much.

Senator Grassley is not present. As a result, as I said earlier, we will call Mr. Nelson at this time. Would Mr. Ben Nelson come forward, please, and Mr. Fleener, as well?

It is the practice of the subcommittee to swear witnesses.

[Witnesses sworn.]

Mr. EHRLICH. Let the record reflect the witnesses answered in the affirmative.

In the interest of time, you both have wonderful résumés. We are interested in hearing what you have to say, and I would ask you to give your testimony. We have some questions we would like to get at pretty quickly.

Mr. NELSON. Mr. Chairman, with your permission, I will summarize my statement.

Mr. EHRLICH. That would be great. We would ask all witnesses to follow that practice as well.

Mr. NELSON. Also, Mr. Chairman, I would like to recognize Mr. Allen Fleener. He was responsible for the on-site work in Mexico, and he is available to answer questions regarding his observations there.

Mr. EHRLICH. Mr. Fleener, welcome to our subcommittee, again.

Mr. FLEENER. Thank you.

**STATEMENTS OF BEN NELSON, DIRECTOR OF INTERNATIONAL RELATIONS AND TRADE ISSUES, GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY ALLEN FLEENER, SENIOR EVALUATOR, GENERAL ACCOUNTING OFFICE**

Mr. NELSON. Mr. Chairman and members of the subcommittee, I am pleased to be here today to discuss the results of our review of counternarcotics efforts in Mexico. We initiated our work at the request of this subcommittee and Senator Grassley of the Senate Caucus on International Narcotics Control.

Our review focused on first, the nature of the drug trafficking threat from Mexico; second, Mexican efforts to counter drug trafficking activities; third, the United States strategy and programs intended to stem the flow of illegal drugs through Mexico; and, fourth, recent initiatives by the United States and Mexico to increase counternarcotics activities.

Our report on this effort is being released today. The report builds on prior GAO reports and testimonies regarding United States and Mexican efforts to control drug production and trafficking. Although some progress has been made, many of the problems discussed in our current report reflect those we found in our prior work.

Mr. Chairman, let me paint a picture for you of the nature and magnitude of the problems we face. First, Mexico is the primary transit country for cocaine entering the United States from South America. It is also a major source country for heroin, marijuana and, more recently, methamphetamine. United States Government estimates indicate that up to 70 percent of the cocaine that enters the United States enters through Mexico. In addition, Mexico supplies up to 80 percent of the foreign-grown marijuana consumed in the United States and from 20 to 30 percent of the heroin.

Two-thirds of the cocaine entering Mexico arrives via maritime vessels, making detection and apprehension very difficult. During

the past 3 years, Mexican trafficking organizations operating on both sides of the border have replaced United States-based outlaw motorcycle gangs as the predominant manufacturer and trafficker of methamphetamine. The Drug Enforcement Administration estimates that up to 80 percent of the methamphetamine available in the United States is either produced in Mexico and transported to the United States or manufactured in the United States by Mexican traffickers.

Moreover, its proximity to the United States, endemic corruption, and little or no financial regulation have combined to make Mexico a major money-laundering center, a haven for the initial placement of drug profits into the world's financial system.

Given this picture, it is not surprising that the State Department has declared that no country in the world poses a more immediate narcotics threat to the United States than Mexico.

Now let me talk briefly about results since the 1992 Mexicanization of the drug control effort there. The number of drug-related arrests in Mexico have declined by two-thirds since 1992, from about 28,000 in 1992 to around 10,000 in 1995. On average, 45 tons of cocaine was seized annually in Mexico between 1990 and 1992, but during the 1993 to 1995 period, only about 30 tons have been seized annually. According to United States officials, Mexican counternarcotics efforts are severely hampered by pervasive corruption of key institutions, economic and political problems, and limited counternarcotics and law enforcement capabilities.

Now let me move to the resource issue. In late 1993, the United States revised its international cocaine strategy from one that focused on intercepting drugs as they move through the transit zone to one of stopping cocaine at its source. Accordingly, United States funding for counternarcotics efforts in the transit zone and Mexico declined from about \$1 billion in fiscal year 1992 to about \$570 million in fiscal year 1995.

Moreover, since 1992, direct United States counternarcotics assistance to Mexico has been negligible because of Mexico's 1993 policy of not accepting most United States counternarcotics assistance.

Since our June 1995 testimony before this committee, there are some positive signs, however. The U.S. Embassy has elevated drug control issues in importance and has developed a drug control operating plan with measurable objectives. The Mexican Government has signaled a willingness to develop a mutual counternarcotics assistance program and has taken some action on important law enforcement and money-laundering legislation. These actions are in various stages of approval.

The United States and Mexico have created a framework for increased cooperation and are expected to develop a joint counternarcotics strategy by the end of the year.

Mr. Chairman, I would like to leave you with one thought. Mexico is critical to the success of any United States strategy; thus, United States and Mexican officials have to follow through on all of the initiatives I have just outlined if we expect to succeed.

Finally, as Ambassador Jones told us during our visit there, the key lies with Mexico. In other words, we have to get Mexico to walk the talk. Thank you.

[The prepared statement of Mr. Nelson follows:]

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the results of our review of counternarcotics efforts in Mexico. We initiated our work at the request of this Subcommittee and Senator Grassley of the Senate Caucus on International Narcotics Control. Our review focused on (1) the nature of the drug-trafficking threat from Mexico, (2) Mexican efforts to counter drug-trafficking activities, (3) U.S. strategy and programs intended to stem the flow of illegal drugs through Mexico, and (4) recent initiatives by the United States and Mexico to increase counternarcotics activities. Our report on this effort is being released today.<sup>1</sup> This report builds upon our prior reports and testimonies that discussed problems regarding various aspects of U.S. and Mexican efforts to control drug production and trafficking.<sup>2</sup> Although some progress has been made, many of the problems discussed in our prior reports continue to affect current drug control efforts in Mexico.

I would like to provide a short overview of our observations regarding Mexico and then talk about each of the issues discussed in our report.

#### RESULTS IN BRIEF

Mexico is the primary transit country for cocaine entering the United States from South America, as well as a major source country for heroin, marijuana and, more recently, methamphetamine. Drug traffickers generally use maritime vessels and aircraft to move

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<sup>1</sup>Drug Control: Counternarcotics Efforts in Mexico (GAO/NSIAD-96-163, June 12, 1996).

<sup>2</sup>Opium Eradication Efforts in Mexico: Cautious Optimism Advised (GAO/GGD-77-6, Feb. 18, 1977); Gains Made in Controlling Illegal Drugs. Yet the Drug Trade Flourishes (GAO/GGD-80-8, Oct. 25, 1979); Drug Control: U.S.-Mexican Opium Poppy and Marijuana Aerial Eradication Program (GAO/NSIAD-88-73, Jan. 11, 1988); Drug Control: Revised Drug Interdiction Approach Is Needed With Mexico (GAO/NSIAD-93-152, May 10, 1993); and Drug War: Observations on the U.S. International Drug Control Strategy (GAO/NSIAD-95-182, June 27, 1995).

cocaine into Mexico, for later transfer to the United States. According to U.S. Embassy officials, maritime vessels are used to move an estimated two-thirds of the cocaine entering Mexico.

Overall, U.S. and Mexican interdiction efforts have had little, if any, impact on the overall flow of drugs through Mexico into the United States. The amount of cocaine seized and the number of drug-related arrests in Mexico have declined significantly since 1992. According to U.S. officials, Mexican counternarcotics efforts are hampered by pervasive corruption of key institutions, economic and political problems, and limited counternarcotics and law enforcement capabilities.

The U.S. international cocaine strategy has changed and U.S. programs intended to stem the flow of illegal drugs from Mexico have declined. In late 1993, the United States revised its international cocaine strategy from one that focused activities and resources on intercepting drugs as they move through the transit zone to one of stopping cocaine at its source of production in South America. In addition, U.S. funding for counternarcotics efforts in the transit zone and Mexico declined from about \$1 billion in fiscal year 1992 to about \$570 million in fiscal year 1995. Moreover, since 1992, direct U.S. counternarcotics assistance to Mexico has been negligible because of Mexico's 1993 policy of not accepting most U.S. counternarcotics assistance.

Since our June 1995 testimony before this Subcommittee,

- the U.S. Embassy has elevated drug control issues in importance and has developed a drug control operating plan with measurable goals;
- the Mexican government has signaled a willingness to develop a mutual counternarcotics assistance program and taken some action on important law enforcement and money-laundering legislation; and

- the United States and Mexico have created a framework for increased cooperation and are expected to develop a joint counternarcotics strategy by the end of the year.

Following through on all of these efforts is critical if the United States and Mexico are to increase their ability to combat drug trafficking in Mexico.

THE DRUG THREAT FROM MEXICO  
CONTINUES TO BE A MAJOR PROBLEM

According to the State Department, no country in the world poses a more immediate narcotics threat to the United States than Mexico. Estimates indicate that up to 70 percent of the more than 300 tons of cocaine that entered the United States in 1994 came through Mexico. In March 1996, the State Department reported that Mexico supplied up to 80 percent of the foreign-grown marijuana consumed in the United States and from 20 to 30 percent of the heroin. Furthermore, during the past 3 years, Mexican trafficking organizations operating on both sides of the border have replaced U.S.-based outlaw motorcycle gangs as the predominant methamphetamine manufacturers and traffickers in the United States. The Drug Enforcement Administration (DEA) estimates that up to 80 percent of the methamphetamine available in the United States is either produced in Mexico and transported to the United States or manufactured in the United States by Mexican traffickers. Mexican drug-trafficking organizations have complete control over the production and distribution of methamphetamine.

In recent years, drug-trafficking organizations in Mexico have become more powerful, expanding their methamphetamine operations and also their cocaine-related activities. According to DEA, Mexican drug traffickers have used their vast wealth to corrupt police and judicial officials as well as project their influence into the political sector. According to DEA's Administrator, some Mexican organizations have the potential of becoming as powerful as their Colombian counterparts. Furthermore, proximity to the United States, endemic corruption, and little or no financial regulation have combined to make Mexico a

money-laundering haven for the initial placement of drug profits into the world's financial systems.

Drug traffickers use a variety of air, land, and sea conveyances and routes to move cocaine from Colombia to Mexico and then overland through Mexico into the United States. Traditionally, traffickers have relied on twin-engine general aviation aircraft to deliver cocaine shipments that ranged from 800 to 1,000 kilograms. Beginning in 1994, however, some trafficking groups began using larger Boeing 727-type jet aircraft that can fly faster than U.S. and Mexican detection and monitoring aircraft and deliver up to 10 metric tons of cocaine per trip. To date, there have been eight known deliveries using this means of transport. Furthermore, as we recently reported,<sup>3</sup> traffickers in the Caribbean have changed their primary means of delivery and are increasingly using commercial and noncommercial maritime vessels. According to U.S. Embassy officials, about two-thirds of the cocaine currently entering Mexico is transported by maritime means.

PROGRESS IN MEXICO IS HAMPERED  
BY NUMEROUS PROBLEMS

Mexico has taken some counternarcotics actions. Mexico eradicated substantial amounts of marijuana and opium poppy crops in 1995 with the assistance of up to 11,000 soldiers working on drug eradication programs. According to the Department of State, Mexican personnel effectively eradicated 29,000 acres of marijuana and almost 21,000 acres of opium poppy in 1995. Furthermore, President Zedillo directed the Mexican Air Force to use its F-5 aircraft to assist in air interdiction efforts in 1995.

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<sup>3</sup>Drug Control: U.S. Interdiction Efforts in the Caribbean Decline (GAO/NSIAD-96-119, Apr. 16, 1996).

On the other hand, the amount of cocaine seized and the number of drug-related arrests in Mexico have declined from 1993 to 1995 compared to those before U.S. assistance was terminated. For example, the average annual amount of cocaine seized in Mexico between 1990 and 1992 was more than 45 metric tons, including more than 50 tons in 1991. In contrast, from 1993 to 1995, average cocaine seizures declined to about 30 metric tons annually. The number of drug-related arrests declined by nearly two-thirds between 1992 and 1995.

Mexico's efforts to stop the flow of drugs have been limited by numerous problems.

- First, despite the efforts that President Zedillo has undertaken since late 1994, both State and DEA have reported that corruption in Mexico is still widespread and that pervasive corruption is seriously undermining counternarcotics efforts.
- Second, serious economic and political problems have limited Mexico's counternarcotics effectiveness. In December 1994, Mexico experienced a major economic crisis--a devaluation of the peso that eventually resulted in a \$20-billion U.S. financial assistance package. In addition, high rates of unemployment and inflation have continued to limit Mexico's economic recovery. Also, Mexico has had to focus funds and resources on the Chiapas region to suppress an insurgency movement.
- Third, Mexico has lacked some basic legislative tools needed to combat drug-trafficking organizations, including the use of wiretaps, confidential informants, and a witness protection program. New legislation authorizing these activities recently passed the Mexican Congress and is expected to be enacted following ratification by the Mexican states. Also, until May 1996, the laundering of drug profits was not a criminal offense and Mexico's laws lacked sufficient penalties to effectively control precursor chemicals that are used to manufacture methamphetamine. To

counter the growing threat posed by these chemicals, the United States encouraged Mexico to adopt strict chemical control laws.

- Fourth, the counternarcotics capabilities of the Mexican government to interdict drug-trafficking activities are hampered by inadequately equipped and poorly maintained aircraft. In addition to equipment problems, some Mexican pilots, mechanics, and technicians are not adequately trained. For example, many F-5 pilots receive only a few hours of proficiency training each month, which is considered inadequate to maintain the skills needed for interdiction. Moreover, assigning the aircraft to interdiction efforts may not have an immediate impact because of deficiencies in the capabilities and maintenance of the F-5s.

#### U.S. COUNTERNARCOTICS PROGRAMS IN MEXICO HAVE DECLINED IN RECENT YEARS

Between fiscal years 1975 and 1992, Mexico was the largest recipient of U.S. counternarcotics assistance, receiving about \$237 million in assistance. IN fiscal year 1992, the United States provided about \$45 million n assistance that included excess helicopters, aviation maintenance support, military aviation training, and some equipment. In early 1993, the Mexican government assumed responsibility for the cost of all counternarcotics efforts in Mexico. Since then, U.S. aid has declined sharply and, in 1995, amounted to about \$2.6 million, mostly for helicopter spare parts and a limited amount of training to Mexican personnel.

According to the State Department, U.S. efforts in Mexico are guided by an interagency strategy developed in 1992 that focused on strengthening the political commitment and institutional capability of the Mexican government, targeting major trafficking organizations, and developing operational initiatives such as drug interdiction. A key component of the strategy, developing Mexican institutional capabilities to interdict drugs,

was severely hampered when State Department funding was largely eliminated in January 1993.

U.S. policy decisions have also affected drug control efforts in the transit zone and Mexico. In November 1993, the President issued Presidential Decision Directive 14, which changed the focus of the U.S. international drug control strategy from interdicting cocaine as it moved through the transit zone of the Caribbean and Mexico to stopping cocaine in the source countries of Bolivia, Colombia, and Peru. To accomplish this, drug interdiction resources were to be reduced in the transit zone, while, at the same time, were to be increased in the source countries. As we reported in April 1996, DOD and other agencies involved in drug interdiction activities in the transit zone began to see major reductions in their drug interdiction resources and capabilities in fiscal year 1993. The amount of U.S. funding for the transit zone declined from about \$1 billion in fiscal year 1992 to about \$569 million in fiscal year 1995--a decline of 43 percent.

Reductions in the size of the counternarcotics program have resulted in corresponding decreases in the staff available to monitor how previously provided U.S. helicopters and other assistance are being used, a requirement of section 505 of the Foreign Assistance Act of 1961, as amended. The Mexican government, however, has objected to direct oversight of U.S.-provided assistance and, in some instances, has refused to accept assistance that was contingent upon signing such an agreement. In other instances, Mexico's position resulted in lengthy negotiations between the two countries to develop agreements that satisfied the requirements of section 505 and were more sensitive to Mexican concerns about national sovereignty.

Prior to the "Mexicanization" policy, the State Department employed several aviation advisers who were stationed at the aviation maintenance center in Guadalajara and the pilot training facility at Acapulco. One of the duties of these advisers was to monitor how U.S. assistance was being used. However, with the advent of the Mexicanization policy in 1993, the number of State Department and contract personnel was greatly reduced and

the U.S.-funded aviation maintenance contract was not renewed. As a result, the State Department currently has no personnel in the field to review operational records on how the 30 U.S.-provided helicopters are being used. According to U.S. officials, the U.S. Embassy relies heavily on biweekly reports that the Mexican government submits. Unless they request specific operational records, U.S. personnel have little knowledge of whether helicopters are being properly used for counternarcotics activities.

There are also limitations in U.S. interdiction efforts. The 1993 change in the U.S. drug interdiction strategy reduced the detection and monitoring assets in the transit zone. U.S. Embassy officials stated that this reduction created a void in the radar coverage, and some drug-trafficking aircraft are not being detected as they move through the eastern Pacific. DOD officials told us that radar voids have always existed throughout the transit zone and the eastern Pacific area. These voids are attributable to the vastness of the Pacific Ocean and the limited range of ground- and sea-based radars. As a result, DOD officials believe that existing assets must be used in a "smarter" manner, rather than flooding the area with expensive vessels and ground-based radars, which are not currently available.

In Mexico, U.S. assistance and DEA activities have focused primarily on interdicting aircraft as they deliver their illicit drug cargoes. However, as previously mentioned, traffickers are increasingly relying on maritime vessels for shipping drugs. Commercial smuggling primarily involves moving drugs in containerized cargo ships. Noncommercial smuggling methods primarily involved "mother ships" that depart Colombia and rendezvous with either fishing vessels or smaller craft, as well as "go-fast" boats that depart Colombia and go directly to Mexico's Yucatan Peninsula. Efforts to address the maritime movements of drugs into Mexico are minimal, when compared with the increasing prevalence of this trafficking mode. State Department officials believe that Mexican maritime interdiction efforts would benefit from training offered by the U.S. Customs Service and the U.S. Coast Guard in port inspections and vessel-boarding practices.

RECENT EFFORTS TO ADDRESS  
BILATERAL DRUG CONTROL ISSUES

Since our June 1995 testimony, a number of events have occurred that could affect future drug control efforts by the United States and Mexico. Specifically:

- The U.S. Embassy elevated counternarcotics from the fourth highest priority--its 1995 ranking--in its Mission Program Plan to its co-first priority, which is shared with the promotion of U.S. business and trade. In July 1995, the Embassy also developed a detailed embassywide counternarcotics plan for U.S. efforts in Mexico. The plan involves the activities of all agencies involved in counternarcotics activities at the Embassy, focusing on four established goals, programs that the Embassy believes will meet these goals, and specific milestones and measurable objectives. It also sets forth funding levels and milestones for measuring progress. The Embassy estimated that it will require \$5 million in State Department funds to implement this plan during fiscal year 1996. However, only \$1.2 million will be available, according to State Department personnel.
  
- After taking office in December 1994, President Zedillo declared drug trafficking "Mexico's number one security threat." As such, he advocated legislative changes to combat drugs and drug-related crimes. During the most recently completed session, the Mexican Congress enacted legislation that could improve some of Mexico's counternarcotics capabilities such as making money laundering a criminal offense. However, legislation to provide Mexican law enforcement agencies with some essential tools needed to arrest and prosecute drug traffickers and money launderers requires ratification by the Mexican states. These tools include the use of electronic surveillance and other modern investigative techniques that, according to U.S. officials, are very helpful in attacking sophisticated criminal organizations. Furthermore, to date, the Mexican Congress has not addressed several other key

issues, such as a requirement that all financial institutions report large cash transactions through currency transaction reports.

- In March 1996, Presidents Clinton and Zedillo established a high-level contact group to better address the threat narcotics poses to both countries. The Director of the Office of National Drug Control Policy cochaired the first contact group meeting in late March, which met to review drug control policies, enhance cooperation, develop new strategies, and begin to develop a new plan for action. Binational working groups have been formed to plan and coordinate implementation of the contact group's initiatives. According to officials from the Office of National Drug Control Policy, a joint antinarcotics strategy is expected to be completed in late 1996.
  
- In April 1996 the United States and Mexico signed an agreement that will facilitate the transfer of military equipment and, shortly thereafter, the United States announced its intention to transfer a number of helicopters and spare parts to the Mexican government. Twenty UH-1H helicopters are scheduled to be transferred in fiscal year 1996 and up to 53 in fiscal year 1997. State Department personnel stated that the details about how the pilots will be trained, as well as how the helicopters will be operated, used, and maintained, are being worked out.

It is too early to tell whether these critical efforts will be implemented in such a way as to substantially enhance counternarcotics efforts in Mexico.

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This concludes my prepared remarks. I would be happy to respond to any questions.

(711209)

Mr. EHRlich. Thank you, sir. I have a couple questions for both of you. Your testimony and GAO report addressed the issue of the mode of transportation and the fact that it has changed from air to sea.

Mr. NELSON. That's correct.

Mr. EHRlich. We were down there last year, as you know, as both of you know, and we talked to the Coast Guard folks and spent 4 days with the Coast Guard folks. And we saw, in fact, some of the very, very small vessels that the traffickers are using. And it seems as though—correct me if I'm wrong—the human supply is endless. Because of the poverty rate and the money involved, there is literally an endless supply of folks to take this risk, correct?

Mr. NELSON. That is correct.

Mr. EHRlich. My question would be, given the lack of assets in the area with respect to intelligence in both human intelligence and other kinds of intelligence, what would be your recommendation with respect to how we address this new mode of transportation, even if we had the political will and the money to move more assets?

What assets would you move and how possible is it to get at what we were told is a central part of the problem, which is a lot of very small vessels which are very difficult to detect moving large amounts of, particularly, cocaine?

Mr. NELSON. I think the first thing we should do is to make sure that the government there follows through on some of the new law enforcement initiatives. These initiatives will enable the Mexican police and law enforcement officials to gather the type of intelligence that would be required to have an effective response to the growing maritime threat.

I think the other thing that we need to do is to provide those Mexican law enforcement agencies with the proper training and the capability to better detect maritime shipments.

Mr. Fleener is our resident expert on the issue of the, as you call it, the go-fast boats in the maritime, so I would like to have him jump in.

Mr. EHRlich. Absolutely. Mr. Fleener.

Mr. FLEENER. One of the important points is that it may not be movement of assets, but what a lot of people tell us is that there is a need for intelligence, both before the drugs leave Colombia and when they arrive in Mexico. This allows you to identify which boats to go after and where on certain boats that the drugs are being hidden. It is a matter of obtaining this intelligence and developing programs to find out where the drugs are, because you can't stop these hundreds or thousands of boats that are doing normal business up through Mexico.

Mr. EHRlich. By the way, we will break for a vote. We have a vote on the floor in about 5 minutes. I would like to followup with a question, Mr. Fleener, with you. Mr. Nelson, your testimony addressed the problem of corruption. We all know it's there.

Mr. NELSON. Yes.

Mr. EHRlich. We know that there are powerful new drug cartels which have arisen in Mexico.

Mr. NELSON. That's correct.

Mr. EHRLICH. First you, Mr. Fleener, What is your opinion with respect to this new strategy, the new cooperation we see as a result of our diplomacy? My question really is, How effective can this new strategy, this new diplomacy, be if corruption is as widespread as we suspect and these cartels have been able to take a very strong foothold in the country? And would you please address just the issues of the cartels generally and the extent of their influence?

Mr. FLEENER. Our review focused mostly on the drugs coming into Mexico. As far as the cartels, we talked to people down there who are involved in investigating them. We also talked to people who were involved in monitoring their activities.

As far as the corruption aspect, corruption is a major problem in a lot of countries, especially when the drugs are concerned with the money that's involved. The corruption in Mexico was viewed as—I guess the best way to say it is—it is extensive. I don't really know how you are going to address this problem.

There have been methods used in other countries where they have created special police units that are isolated from other units. Again, this method may be OK in areas where drugs are being consolidated for shipment and attacking those areas where the drugs are being warehoused or consolidated. I don't know how such units would be possible in Mexico, since they would have to cover the whole country.

Mr. EHRLICH. Is this a new generation of cartel? Are these cartels increasingly more violent or more sophisticated, or both?

Mr. FLEENER. I think DEA probably will be able to tell you more about the current activities of the cartels, the strength of those cartels, and their current activities.

Mr. EHRLICH. What I would propose to do right now, since we would like to move the hearing along, is to recess; ask you all to stay; ask the subcommittee to return by 5 of the hour. Thank you all very much. We will stand in recess for 15 minutes.

[Recess.]

Mr. EHRLICH. The subcommittee will come to order. Mr. Fleener, Mr. Nelson, thank you for your indulgence. I remind you, you are under oath. You continue to be under oath. We have been informed Senator Grassley has been held up in Senate Finance and probably will not make it.

And we will submit his statement for the record. I am sure there will be no objection. Without objection, so ordered.

[The prepared statement of Hon. Charles E. Grassley follows:]

Statement by

U.S. Senator Charles E. Grassley

for

The House Government Reform and Oversight Committee

The Subcommittee on National Security

12 June 1996

Mr. Chairman, members of the committee, I want to thank you for holding this hearing and the other hearings that you have held aimed at dealing with this country's drug problem. The subject of today's hearing is of particular importance.

As we all know, most of the drugs coming into the United States come through Mexico. This is not a new reality. Mexico has been for many years both a transit and a producing country for illegal drugs bound for the US emporium. It is a problem that both we and the Mexicans have tried to deal with.

Up to this point, our responses have been imperfect. The results have seldom matched the intentions. Despite good faith efforts by Mexico, that country has not been able to exercise a sufficient control over its sovereignty. It has been unable to prevent drug trafficking organizations from using Mexico as the staging ground for smuggling drugs into the United States. Sadly, US authorities have not been able to forge a barrier sufficient to exclude or diminish the supply of this poison. We all know the consequences. Few families in this country have not seen some one of its members destroyed by drugs.

Imperfect though our responses may have been, we must not be disheartened in the effort. We must match the greedy implacability of the drug traffickers with a steely determination. We and Mexico must not give in to the temptation of mutual recriminations that only serve to encourage a common enemy to both our countries. We must continue the effort and sustain the resolution to fight. We must engage all our means and commit ourselves to that cooperation that addresses the problem that we share.

Today, we are meeting to discuss that cooperation. As part of that discussion the GAO is releasing a report on problems that have hindered Mexican and US interdiction efforts. This report is a result of a request that Congressman Zeff and I made for the GAO to review counter-narcotics activities in Mexico. I believe the study is a fair appraisal. It highlights both successes and problems.

It is important that we take a serious look at what has worked and what has not. We cannot afford to be complacent. It is certain that the drug traffickers will not relax in their efforts and we cannot be any less vigilant or creative as we wage this struggle. This is particularly true at this time, for the

indications are that the drug traffickers are becoming bolder and more aggressive.

It also appears that those organizations operating in Mexico are even more prepared to use violence and bribery to incapacitate Mexico's responses. This is of concern not only for the likelihood that these activities will increase the quantity of drugs coming to the United States. It is of concern because of what threats and subversion of the public trust do to the integrity of Mexico's democracy. It is important for the fundamental threat these drug thugs represent to that country's heroic struggle to create a decent and workable economic and political system open to all. If that effort fails because of the monstrous actions of greedy drug entrepreneurs, then we have all lost something of importance.

Mexico and the United States share a common border. We share much in terms of history and culture. But we share much more. If drug thugs prevail, we will see more poison on our streets. If they emerge triumphant, Mexico will relinquish something essential of its integrity and freedom. We both lose. That is why we must work to develop common approaches that confront this common challenge.

In do this, we must be able to speak candidly. We must put passion aside and look at objective considerations. We must be prepared to evaluate our efforts dispassionately in order to make them better. It is hearings like this that put us on that track.

In that regard, we must also cast a critical eye on current US policy. We need to question why, especially in light of the GAO report, the Administration believes more helicopters can or will be used effectively in Mexico. We should get a better understanding of what is happening with maritime smuggling. We need to ask our authorities what steps they are taking to go after the major criminal organizations and their leadership and not just after couriers. We need to pay particular attention to how we are going to deal with the problems of money laundering. And we must ensure that we are taking adequate steps to protect our trade from the actions of drug smugglers.

We need to focus on what more we can do to coordinate both US and Mexican actions. We need better communications from this Administration, which seems unwilling to brief Congress on its policies. To date, the Administration has yet to provide Congress with the details of its newest support package for Mexico. It has not responded to a letter, now almost a month old, from the Chairman of the Senate Foreign Relations Committee for more specifics. It has not given the public an adequate explanation of its plans.

We need more than this. We need better than this. We need to see a strategy that matches intentions to resources to actions to the problem. We need substance not sound bites. It is hearings like this that will help set the benchmarks for measuring the success or failure of our efforts. Thank you again, Mr Chairman, for this fine effort.

Mr. EHRlich. I am out of time, but until Mrs. Thurman comes back, I did have one other question I would like to address to both of you. And that is concerning the issue of heroin and the fact that heroin has made a reappearance in the United States, a 1970's drug coming back in the 1990's stronger than ever.

What, if any, strategy had this administration adopted with respect to heroin, particularly, I guess, the black tar heroin coming in through Mexico in the last 3 years, and what do you see with respect to this particular drug and its re-emergence on the streets of America?

Mr. NELSON. I don't know if there is a specific strategy relating to Mexican heroin. I do know that the heroin strategy of the administration was released last year. We had a report on drug trafficking through and from Burma that addressed a lot of that.

I do know that Mexico is a transit point for some Asian heroin and also some of the Colombian heroin that comes into the United States. Other than that, we aren't familiar with the strategy.

Mr. EHRlich. The Burmese white heroin, as opposed to, I guess, the Mexican black heroin?

Mr. NELSON. The brown tar, that's just the way it looks.

Mr. EHRlich. As far as the potency, any difference?

Mr. NELSON. I'm not aware of or familiar with that.

Mr. EHRlich. OK. Mr. Mica. Thank you, gentlemen.

Mr. MICA. Thank you. I am trying to read through some of your report here and the testimony that I have been given. One of the things that concerns me is that now Mexico has really taken a world leadership position and becoming transit entry point of just about every kind of narcotics. A couple of things that concern me is now we are up to 70 percent in the cocaine trafficking, is that correct, is now coming into the United States is coming through Mexico?

Mr. NELSON. That is correct, sir. Up to 70 percent.

Mr. MICA. And methamphetamine, that is also going through the ceiling, is that correct? What percent of methamphetamine are we getting as far as foreign production coming into the United States?

Mr. NELSON. DEA's estimate is about 80 percent.

Mr. MICA. Eighty percent. Let me ask you a question. In your report, did you look at any of the pressure from this administration? Has this administration been putting pressure—now, we have helped Mexico on NAFTA, we helped Mexico on the bailout, we are helping Mexico on infrastructure, developing its infrastructure and a number of other areas.

Where did you identify United States pressure on Mexico now to stop some of this trafficking?

Mr. NELSON. To our knowledge, pressure on the drug issue wasn't an ingredient in the actions that you outlined.

Mr. MICA. It wasn't in any of those?

Mr. NELSON. It wasn't.

Mr. MICA. It wasn't an element. So it has sort of been off the radar screen as far as this administration is concerned; is that what you are saying? In those elements, when we gave them a multimillion dollar bailout, it wasn't an item of consideration. In the trade negotiation and current trade activities, it is not an element of consideration; is that what you are saying?

Mr. NELSON. I cannot say that it wasn't an element of consideration. However, there were no explicit requirements in exchange for the bailout assistance package and the other items.

Mr. MICA. The latest information I have is that Mexico still hasn't cleaned up its money laundering act. Is it correct they still haven't passed legislation, or is this out of date, the information I have? Have they passed, enacted, money-laundering legislation? Yes or no?

Mr. NELSON. Yes; they have. They have made money laundering a criminal offense. However, other items needed to make that legislation effective have not yet been approved.

Mr. MICA. What about wiretapping?

Mr. NELSON. Wiretapping has been approved by the Mexican Congress but has not been ratified by the states, the Mexican states.

Mr. MICA. Is that correct? What is the status of wiretapping?

Mr. FLEENER. That's correct, sir. Wiretapping, I believe, requires a constitutional amendment. So, while it has been passed by the Mexican legislature, it has to be ratified by the states.

Mr. MICA. What about CTR?

Mr. FLEENER. CTR's have not been approved.

Mr. MICA. Now, in the past and even currently, corruption—and I think your report describes corruption in Mexico as endemic. So we are dealing with basically corruption. And in the past we have seen it right practically in the office of the President or relatives or the President, the highest levels of the ministries, et cetera.

What is the situation now? What pressure are we putting on for them to clean up their act?

Mr. NELSON. Well, I can't point to anything specific that we are doing to force them to clean up their act.

Mr. MICA. So we're giving them billions of dollars, we are providing a financial bailout, we are giving them trade advantages, and you have conducted this report and we can't find anything we are doing to put pressure on them? Is the corruption as high a level as it has been? I mean, your report says endemic. How is Mexico addressing this problem?

Mr. NELSON. Well, what we have seen—

Mr. MICA. And what are we doing to pressure them to clean up their act?

Mr. NELSON. With respect to pressuring them, I cannot answer that question. What I can point to is that there have been some actions by the government to deal with corruption. But I think that all of the sources we referred to in this report indicate that it is still a major problem in all of the institutions that would be involved in dealing with both the trafficking of drugs and in the laundering of profits from those drugs.

Mr. MICA. Well, wait a second. Now the report gets even more interesting here. It says Mexico seized only about half as much cocaine and made only about a third as many arrests since 1993.

Mr. NELSON. That is correct.

Mr. MICA. So we have a corrupt officialdom, we have the United States not putting pressure on one of the allies and neighbors that we are helping the most with trade and finance, and then it says

Mexico seized only about half as much cocaine and made only about a third as many drug arrests since 1993.

So since we have been helping them, they have been doing less to clean up their act. Is that correct or is there some misstatement in your report?

Mr. NELSON. No, the report is accurate. As you know, in late 1992, the Mexican Government decided to take full responsibility for counternarcotics efforts. And since that time, the statistics on arrests and on seizures have been on the downward trend. Although there has been some improvements in the eradication of marijuana, in the key areas of drug-related arrests and cocaine seizures, those numbers have gone down.

Mr. MICA. You know, your report and what I am seeing is absolutely astounding that we have helped this country, we have helped this ally in trade and finance and keeping their act together, that we see just as high a level of corruption. We don't see passed the laws that can do this. As far as the arrests, we see them going down. Seventy percent of the hardest, toughest stuff coming into the United States.

And what did you say on methamphetamine? Eighty percent?

Mr. NELSON. That's correct. Eighty percent.

Mr. MICA. Eighty percent of this crap is coming into our country. Our kids are getting slaughtered. We had charts up here when we did our report in March that showed since 1992 the increases in cocaine, heroin, methamphetamine, designer drugs of all sort, increases in our youthful population. We are starting in eighth grade in this country and they are using that. Seventy percent of the people in our jails are there because of drug-related crimes.

And you are telling me that the biggest point of entry, Mexico, who we have been giving all this aid to, and your report documents hasn't been doing diddley squat to assist us. This is an incredible record. And then the administration isn't doing a darn thing about putting pressure on them.

Is that a good assessment, or have I missed something?

Mr. NELSON. As I said, I can't—

Mr. MICA. And the President certified them.

Mr. NELSON. That's correct.

Mr. FLEENER. I think one of the points to consider is that Mexico didn't accept United States counternarcotics aid until recently.

Mr. MICA. Mr. Chairman, I yield back.

Mr. EHRLICH. Mrs. Thurman.

Mrs. THURMAN. Sorry I missed the questioning here, Mr. Chairman, but we have Ag appropriations on the floor and there seems to be some interest over there from a Florida perspective, so I apologize.

Mr. EHRLICH. Understood.

Mrs. THURMAN. It is one of those days today, so I do apologize for what is going on.

One of the things that came to my attention in looking at the GAO report that it seems that you have done several of these reports over the last several years. Have both of you been involved with these reports? There is one, the opium eradication efforts of 1977, again gains made in controlling illegal drugs, yet the drug

trade flourishes. In 1979, Drug Control United States-Mexican opium poppy.

I mean, have you all been involved with these particular reports?

Mr. FLEENER. I was involved in the 1993 review of Mexico and then the testimony we gave last June, which preceding that we made a short visit to Mexico.

Mrs. THURMAN. OK. So nothing prior to that?

Mr. FLEENER. Relating to Mexico, no.

Mrs. THURMAN. OK.

Mr. FLEENER. But in the other drug work, he has been involved for about a little over 10 years, and I have been involved since 1992.

Mrs. THURMAN. OK. And so you review these reports. I guess the concern I have is I don't want to point fingers at anybody. I am really kind of tired of that, to be honest with you all.

And I am trying to find out from the reports that have taken place over the last—since 1977—can you give us ideas of those things that have been working, things that you have looked at, things that we have not been as good? I mean, is there something that we need to know that we could be doing better?

I mean, I think that there is some real points here that since it has been looked at since 1977, where have we had some successes, where have there been some failures? I mean, can you outline any of those for us, both from our Government to their government?

Mr. FLEENER. Not relating specifically to Mexico, but in 1994 I did a review for Mr. Condit on the capabilities of the Central American countries. One of the operations they had in Guatemala, Operation Cadence, seemed to be successful in stopping the traffickers from flying into Guatemala. Of course, what happened then was they started flying into southern Mexico.

That was a program which achieved its objective of stopping the movement of drugs into Guatemala. Now, since then it has been canceled and now there is some movement into, still some flights into, Guatemala. But that was something that seemed to work.

Some of the other programs have the same problems, be it corruption or capabilities or resources as far as the host country. These seem to be the major problems in a lot of these countries, not just Mexico but just about all of the countries we look at.

Mrs. THURMAN. I know in some of the questions that we have designed here today, the National Drug Control Strategy was to stop fast-developing opium cultivation through aggressive crop control programs and by preventing production from spreading to other countries.

Do you believe we have achieved that objective and, if we haven't, why not? And do we know how many acres of illegal drugs the government has destroyed over the last year?

Mr. FLEENER. We have numbers in Mexico. I don't think they have a crop control program like an alternative development program there. They just eradicate it when they find it. But we do have numbers on how many they eradicated, I think for the last 10 years, not only Mexico but the South American countries. They have good numbers on that.

Mrs. THURMAN. OK.

Mr. NELSON. I think eradication is one of the areas where you do see some limited amount of progresses on eradication in Mexico. The eradication of marijuana was up last year. Of course, the eradication program there had the assistance of the military, so that is one area.

However, what you find is that you eradicate it and it is planted over and so forth. But that is one area where——

Mrs. THURMAN. There has been some successes?

Mr. NELSON. Some successes.

Mrs. THURMAN. Continued to be?

Mr. NELSON. I think what we have seen is that they are able to get the countries to commit to or attempt to eradicate larger acreage of the production.

Mrs. THURMAN. Who in the Mexican Government decided to fund its counternarcotics programs? Do we know who in the Mexican Government decided to do this, to fund it?

Mr. NELSON. I'm sorry, the question was when or why did they?

Mrs. THURMAN. Who?

Mr. FLEENER. Decided to not fund?

Mrs. THURMAN. Was it the President? Who decided in the Mexican Government, decided to fund its counternarcotics program? The President? I mean, do we know?

Mr. FLEENER. I would assume it was decided by their President.

Mrs. THURMAN. OK. Recognizing the sovereignty issue, did the United States do everything it could to prevent a reduction and the curbing of illegal drug traffic on either side of the border, do you believe?

Mr. NELSON. Your question was, is the United States doing all that it can?

Mrs. THURMAN. Yes.

Mr. NELSON. I would have to say, in short, the answer to that would probably be no. The United States is not doing all that it can. The issue is how much is required and how much is affordable. But I would say the activity at this point is down from a couple of years ago.

Mrs. THURMAN. It is down?

Mr. NELSON. It is. The activity.

Mrs. THURMAN. OK.

Mr. NELSON. That is, the number of attempts to interdict, the seize. Those activities are down consistent, I think, with the shift in the strategy in 1993.

Mrs. THURMAN. OK. My time has expired.

Mr. EHRLICH. Thank you, Mrs. Thurman. At this point, there is an interesting article by John Walters in today's Washington Times concerning this issue. I would like to make it part of the record, without objection. Without objection, so ordered.

[The information referred to follows:]

# Aiding and abetting the Mexican drug trade

By John P. Walters

The United States faces two threats. One of them costs roughly \$2.3 billion a year, the other a minimum of \$67 billion annually. The first hurts Madonna, Bill Gates and Tristar Pictures. The second sends more than 500,000 Americans to the emergency room every year — including 150,000 African Americans; is linked to three in 10 homicides; destroys families; and has a remarkable capacity for reducing inner-city neighborhoods to chaos.

President Clinton has invested an enormous amount of national prestige in stopping the first threat: the jacking of U.S.-produced tapes, CDs and software in the People's Republic of China. He has shown considerably less zeal in pursuing the second threat: the export of illegal drugs from Mexico, Colombia and other producer countries into the United States. Both threats are foreign, and both need to be addressed at their source. But critics of drug interdiction, who like to argue that demand drives supply, fall curiously silent when the item in demand is a bootleg copy of "Die Hard 2."

Not that the threat of trade sanctions is unwarranted. The sanctions announced May 15 by the Office of the U.S. Trade Representative (USTR) were a reasonable response to years of blatant provocation by Chinese producers. Next Monday, unless a compromise is reached, USTR will announce the Chinese products — drawn from a list of \$3 billion in exports — which will be taxed at a "prohibitive" 100 percent rate. Beijing, meanwhile, has responded with a list of its own, targeting vital U.S. exports including the agriculture, pharmaceuticals and telecommunications sectors.

Contrast this tough defense of national interest with the President's response to the torrent of drug exports from Mexico. After three years of neglect, President Clinton met with his national security advisers March 1 to discuss a presidential decision — due to Congress within hours — on whether Mexico (and 30 other countries) would continue to receive most types of U.S. assistance or whether they would be "decernified."

The decision should have been easy: Mexico's abysmal performance against the drug trade clearly warranted decertification, and the Drug Enforcement Administration (DEA) had recommended that course. Members of Congress on both sides of the aisle had indicated that they would support decertification as well. Sen. Bob Dole even sent the president a letter urging such action.

The United States imports 400 tons of cocaine annually. An estimated 70 percent of that amount is transhipped through Mexico, yet Mexico's seizures have slumped to roughly one-20th of the amount passing through their country. Arrest figures are down significantly, although the Mexican police did manage to nab Raul Salinas, the former president's brother, who is currently being investigated on possible "drug-related charges," among other things. Four Mexican trafficking "confederations" meanwhile, operate with relative impunity.

In Washington, government agencies waged an internecine war of press leaks for the better part of a month as the decision approached. Supporters of restraint within the Department of State reportedly argued that decertification would require the U.S. to vote against future assistance to Mexico in multilateral lending fora. This would place the United States, the chief architect of a \$20 billion peso bailout, in the anomalous position of being legally required to vote against future loans to Mexico. But the president had a way out of this predicament. Sanctions could be waived if he determined it to be in the national interest, even if Mexico was decertified.

In the end, with time running out, the Department of State was so unsure of Mr. Clinton's decision it drafted three presidential determinations for Mexico, one for each

possible outcome: certify, decertify and waiver.

The president, of course, decided against even the symbolic criticism of decertification with a national-interest waiver to block sanctions. His statement to Congress blamed Mexican inaction on the peso crisis and noted weakly that the Zedillo administration has "set the stage for action against the major drug cartels in Mexico."

Unfortunately, it will not be that easy. Thanks to Colombian organizations' practice of paying smugglers in cocaine and not in cash, Mexican smuggling rings have emerged as a major force in the cocaine trade, dominating wholesale-level cocaine distribution in much of the United States west of the Mississippi. Pursuing the logic of vertical integration, the Mexicans are cutting the Colombians out of the business they established, purchasing their own loads of cocaine in the Andean source countries. According to a recent report by the Department of State: "Mexican traffickers who previously assisted their Colombian counterparts to move cocaine shipments through Mexico . . . are now purchasing multi-ton quantities of cocaine directly from producers for distribution through their own expanding U.S. networks."

Mexico is also awash in narcotics, as traffickers smuggle billions in bulk currency back out of the United States for deposit in off-shore banks. Not known for strident statements where Mexico is concerned, the Department of State

recently warned that "[i]nternational criminal organizations increasingly look to Mexico's large, and largely-unregulated, financial sector as a venue for laundering vast sums of money from their illegal activities." But when DEA chief Thomas Constantine recently offered the relatively innocuous (and indisputable) warning that drug money is entering into the "legitimate banking institutions in Mexico," the Mexican government excoriated him. Meanwhile, Mr. Constantine's colleagues within the administration have been lining up on the other side — making excuses for Mexico's terrible record.

President Clinton's tough stance toward China in defense of American corporate interests has surprised many of his foreign-policy critics. His nonresponse to the foreign drug threat, however, has been all too predictable. And in America's inner cities, cocaine and heroin continue to flow — at near-record low prices and high purities. It seems the President doesn't feel this pain. Do Republicans?

In 1986, *Washingtonian* magazine surveyed D.C. residents and asked what they thought was the most important problem facing the city. White residents said traffic congestion; black residents said drugs. Ten years later, with the drug problem worsening, a March Gallup poll found black respondents much more concerned about the drug trade than whites, and more supportive of interdiction programs.

Despite the vigorous empowerment-vs.-dependence debate conservatives have waged, they've made little headway with poor, minority voters. Now, conservatives in Congress have an opportunity to do something about the most neglected concern of inner-city, mostly minority residents. Or to quote a frustrated Sen. Joseph Biden's message to the president: "It's drugs, stupid. It's drugs."

Mr. EHRlich. At this point, I recognize Mr. Hastert and turn the Chair over to Mr. Mica.

Mr. HASTERT. Thank you, Mr. Chairman. In your GAO report, I just want to get to some specifics on this. On page 2 you state, "Drug traffickers who change their preferred mode of transportation for moving cocaine into Mexico increasing the use of maritime vessels." I think you said almost 70 percent of the cargo of cocaine, probably the cocaine paste, or is that the finished product?

Mr. FLEENER. That's the finished product, sir.

Mr. HASTERT. Comes into Mexico through cargo vessels or on-loaded off of cargo vessels and come in along the coast. You said maritime vessels are used to move an estimated two-thirds, 66 or 70 percent of the cocaine entering Mexico.

Mr. Fleener, what intelligence assets, if any, does the administration, the Clinton administration, have systematically in the eastern Pacific to address maritime drug trafficking from Peru?

Mr. FLEENER. The assets in the eastern Pacific are designed to monitor aircraft.

Mr. HASTERT. So you are saying there is no assets in the eastern Pacific to monitor maritime flow of drugs where 70 percent of the drugs are flowing from Colombia into Mexico?

Mr. FLEENER. While I don't know how much goes through the eastern Pacific, I do know that they have had some major seizures by, I believe, it was the Coast Guard last October.

Mr. HASTERT. But isn't it true that the Coast Guard budget has been severely reduced so, I mean, they have had reduced assets?

Mr. FLEENER. Yes, sir.

Mr. HASTERT. Yes?

Mr. FLEENER. Yes, sir.

Mr. HASTERT. And, you know, when we were in Mexico City we saw five or six or seven 727's and French Caravelles that the Colombians have used to fly cocaine up into Mexico, usually the northern desert area, and those planes are there and painted under the Mexican flag now. But previously, the Colombians were able to fly huge cargos up in the northern deserts of Mexico where the four gangs are, or groups of drug smugglers.

Why have they changed?

Mr. FLEENER. We reported in 1993 on the activities in Mexico. In the report, we discussed the change from going to northern Mexico where the interdiction effort made them pay the price so that a lot of aircraft were being seized, and so they quickly changed and spread their operations out through southern Mexico. By going to all of Mexico to deliver the drugs, it is a larger area and more difficult to cover.

The initial plan for the covering of the northern border had, I think, seven bases along the border where helicopters would be ready to attack the landing aircraft. Now, that was fine for a confined geographic area where the helicopters could fly anywhere within an hour, but once you spread it out to all of Mexico, I don't know how many helicopters it would take to cover all of Mexico.

Mr. HASTERT. But you are saying 70 percent or two-thirds of the cargo of cocaine is coming in through maritime. Does that also concentrate where that is delivered, or is that really spread if it comes up into northern Mexico by ship? I assume northern Mexico.

Mr. FLEENER. We weren't told of any specific ports that it is being delivered to. A lot of that is either sometimes through air drops to waiting boats out at sea. With the smaller ships, smaller boats going out to, say, cargo containers or to the larger ships and bringing it back. We weren't told of any particular port of entry or location.

Mr. HASTERT. So, basically, a lot of it is coming in from small boats from mother ships off the coast?

Mr. FLEENER. Yes, sir. And also there is a lot coming in through the containerized cargos.

Mr. HASTERT. So they would come in actually, through the ports?

Mr. FLEENER. Yes, sir.

Mr. HASTERT. What technologies—of course, if the Mexican Government doesn't cooperate with the United States Government or take any help then it is a moot question, but what technologies are needed to be able to stem this flow?

Mr. FLEENER. I think, as I spoke earlier, intelligence of which ships contain the drugs. Port inspection expertise and training of the Mexicans on how to inspect these containers are areas where progress can be made.

Mr. HASTERT. Well, one of the things that we were able to do prior to the diversion of our AWACS to Bosnia was to have eyes in the sky and forward-looking radar and infrared radar. Would that be helpful, for instance the P-3's that we need? Would that be helpful in identifying suspect ships and movement of that cargo?

Mr. FLEENER. I don't think they are very effective against ships. Ship movement, there are so many ships, and I don't know if they have the capability to monitor the ships from the AWAC's.

Mr. HASTERT. So you think the P-3's aren't?

Mr. FLEENER. The P-3's are good against aircraft that are moving.

Mr. HASTERT. The downward-looking radar also?

Mr. FLEENER. I don't know if—I think there are two types, one that the Navy has that you monitor maritime traffic. But the one the Coast Guard or the Customs uses is, I think, reconfigured for monitoring aircraft.

Mr. HASTERT. Aren't they the only tracking asset that we have for our air traffic?

Mr. FLEENER. In the eastern Caribbean we have the R-OTHR.

Mr. HASTERT. The otter?

Mr. FLEENER. The R-OTHR.

Mr. NELSON. The radar.

Mr. FLEENER. The over the horizon radar. They do have some radar positions in Colombia and along the eastern—or I guess it's the western Caribbean from the Caribbean base and radar network that was established.

Mr. HASTERT. Have we been able to maximize our cooperation with the Mexican Government as far as having intelligence sources so we can detect? I mean, intelligence really comes down to where most of the apprehension of this cargo comes from, people knowing when it was loaded or what ship it is on or what airplane or who is flying it or whatever, and those intelligence sources are our best asset.

Are we having full cooperation with the Mexican Government in being able to place those intelligence sources where we need them?

Mr. NELSON. One of the problems is that the Mexican law enforcement tools in that area are weak. They cannot deal with paying informants or wire taps, and they are very restricted. There are some barriers there to gaining the intelligence that is required to deal with the complex way in which the traffickers operate now.

If the legislation that has been approved and is awaiting ratification goes into effect, I think it would assist the Mexicans in getting some of this kind of intelligence. What the experts tell us, people in DEA and so forth, is that you need intelligence-cued type of interdiction actions because there are so many ships out there on the sea that it is really intelligence and training of the port inspection personnel.

Mr. HASTERT. And the question is are we able to cooperate with the Mexican Government and make sure that happens?

Mr. NELSON. I think that there seems to be signs of a commitment in terms of providing the Mexican law enforcement people with the right capabilities. Also, as you know, the military in Mexico was recently given an increased counternarcotics role. The military has a higher level of credibility and it is viewed to be less corrupt than some of the other institutions.

Mr. HASTERT. Thank you, Mr. Chairman, I know my time has expired.

Mr. MICA [presiding]. I recognize the gentlelady from New York.

Ms. SLAUGHTER. Thank you, Mr. Chairman. Gentlemen, I want to be pretty succinct about this. I don't think we're doing very well at all. I don't think we have improved very much. One of the many reasons I did not support NAFTA was the statistic that 85 percent of cocaine coming in the United States came across that border. It didn't give me any reason to want to lessen controls there.

But right now in Colombia there is a great battle going on about President Sampier being elected with drug money. The Cali Cartel in Colombia is killing each other. They are fighting over who is going to be in charge of dealing with Mexico.

We just recently had the stories about Raoul Salinas and the millions of dollars that he spirited away into laundered money and strange bank accounts. There is at least some indication that perhaps that might have been drug money or drug connected to really make the amount of money he made in a fairly short time. As I understand it, every month or so millions came through there.

Given that, it doesn't make any sense to me that we even make any pretense that these governments are doing anything to help us. It strikes me that it is absolutely a failure. I don't know. We're not getting any better. Somebody may be burning some marijuana fields, but that is not doing anything about the cocaine that is coming across this border.

And I am really concerned. I don't know where you see any hope, because every day when I pick up the papers and read, I sure don't see any. Nothing seems to change except they are at a point now where they just fight among each other. But the governments take no real hard stand on that at all, except some judges in Colombia who very bravely stood up to it and died. But as long as they are electing presidents, you know, it is going to be very difficult, I

think, for us to really say that the government is going to help us to wipe out the drug traffic.

Is the Mexican Congress even considering the notion of forfeiture of assets?

Mr. NELSON. Yes; they are.

Ms. SLAUGHTER. What is the prognosis?

Mr. NELSON. Actually, the asset forfeiture and seizure statute was passed by the Congress but is awaiting ratification by the States.

Ms. SLAUGHTER. What do you think the chances are?

Mr. NELSON. Al.

Mr. FLEENER. The people at the U.S. Embassy told us that there was a good chance of that being ratified.

Ms. SLAUGHTER. Well, there is some indication that the U.S. Embassy didn't do a whole lot about changing its strategy after—so I'm really concerned. I hope to goodness it works. I mean, it is a dreadful thing that is happening to the young people and the people who are addicted in this country. It costs us billions of dollars a year.

And I think that we are just sort of marching in place and trying to say everybody, look, we're doing a little better here. But the news that comes out of there on a regular basis says we're not. I mean, it's appalling to me that we don't just understand that we've just made a disgraceful thing here by certifying Mexico, in my view, as really trying and really working very hard. I just don't see it.

Now, I know that the President has some memorandum of April 1996, and I would like to ask unanimous consent to put that into the record.

Mr. MICA. Without objection, so ordered.

[The information referred to follows:]

THE WHITE HOUSE  
WASHINGTON

April 8, 1996

## MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Strengthening Drug Control Cooperation with Mexico

This memorandum is to direct actions that will be taken by executive departments and agencies to improve the effectiveness of United States-Mexico drug control cooperation.

**The Seriousness of the Drug Trafficking Threat to the United States and Mexico:**

Drug abuse and drug trafficking pose enormous threats to the American and Mexican people. The health of our youth and the safety of our neighborhoods are at stake. The powers of our democratic institutions and of our law enforcement organizations are challenged by international criminal organizations that operate seamlessly across our borders. Multi-ton quantities of cocaine, marijuana, heroin, and now methamphetamine, find their way to American streets far from our borders, much of it having come across our common border.

**A Joint United States-Mexico Commitment to Confront Drug Trafficking:**

On March 1, I certified to the Congress that the Government of Mexico cooperated fully to comply with the objectives of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. President Zedillo and I have agreed to mount a sustained offensive against drug use, production, and trafficking organizations. We will arrest and bring drug traffickers to justice. We will make it more difficult for illegal profits to be laundered, and we will seize drug assets at every opportunity. We will work together to stop the illegal diversion of chemicals for drug manufacturing, and improve our capabilities to stop drugs at our border. To coordinate our efforts, Mexico and the United States formed a High Level Contact Group on Drug Control, which met for the first time March 27 in Mexico City. That group will continue indefinitely. It will meet next at the end of June in the United States, and thereafter in December, in Mexico.

A United States Plan of Action for Increased Cooperation With Mexico:

This directive prescribes specific measures that will be taken to accomplish these shared objectives; measures that will increase the effectiveness of the counter-drug cooperation between our two governments.

1. Quantifying the Drug Trafficking Threat to Our Two Nations

A prerequisite for more effective bilateral action is a shared and objective assessment of the level of drug production, trafficking activities, and the threat of corruption in both countries.

In order to establish a common view of the problem, the Office of National Drug Control Policy (ONDCP) will coordinate other United States Government agencies in order to work effectively with officials designated by President Zedillo to produce a white paper that comprehensively describes the threat posed by cultivation, production, and trafficking of drugs such as cocaine, heroin, marijuana, methamphetamine, and diversion of pharmaceuticals such as rohypnol, in both the United States and Mexico. Particular attention will be paid to drug trafficking activities across the Southwest border.

This report will be presented to the U.S.-Mexico High Level Contact Group on Drugs during its next meeting in June.

2. Developing a Joint Drug Control Strategy

We need a strategy to provide general guidance and specific direction to the efforts of the departments and agencies of our two countries.

I have directed the Director of National Drug Control Policy to expeditiously develop a binational drug control strategy in conjunction with the Government of Mexico. The strategy must increase the security and integrity of our shared border, while respecting the sovereign rights of each nation.

3. Reducing the Demand for Illegal Drugs in Our Two Countries

Prevention and treatment programs have contributed to a marked reduction in the number of drug users in the United States in the past decade. The number of casual drug users has dropped by almost half and the number of cocaine users by over a third. Mexico, likewise, has enjoyed positive results in its drug prevention programs. Both the United States and Mexico stand to benefit by sharing information on demand reduction programs that work.

The Office of National Drug Control Policy will organize multi-agency United States Government efforts to exchange expertise with appropriate organizations within the Mexican Government information on successful reduction programs.

In the interests of enriching bilateral information exchange, U.S. agencies should take steps to ensure that the Mexican Government receives copies of relevant public reports and published studies relating to drug abuse education, trafficking patterns, money laundering, and so forth. The two governments will also work jointly to develop a protocol for exchange of more sensitive information.

4. Assessing U.S. Counter-drug Programs Along the Southwest Border

The increasing two-way trade between our nations must not be permitted to be used as a cover for drug trafficking.

I have directed the Departments of the Treasury, Justice, Defense, and other relevant agencies to conduct a comprehensive review of all Federal, State, and local efforts to prevent drug trafficking across the Southwest border.

This review will be coordinated by the Office of National Drug Control Policy. It will also consider bilateral measures that can be taken to decrease the flow of drugs across the Southwest border. The results of this review shall be submitted to the President's Council on Counter-Narcotics within 180 days.

5. Attacking Methamphetamine Production and Trafficking

Methamphetamine has become the drug of choice in California and is becoming more common across the rest of the United States. Clandestine labs in both countries produce tons of this dangerous drug. The Department of Justice (DOJ) has just developed a concept to address domestic consumption, production, and trafficking of methamphetamine.

The Department of Justice will continue to lead the U.S.-Mexico Plenary Group of Senior Law Enforcement Officials to produce a binational and interagency methamphetamine strategy. The DOJ will make regular reports to the High Level Contact Group through ONDCP of the progress and plans that result from the working sessions, and will report methamphetamine accomplishments at the next meeting of the High Level Contact Group.

#### 6. Controlling Essential and Precursor Chemicals

Essential and precursor chemicals for the manufacture of all types of illegal drugs must be more carefully controlled.

The Department of Justice will continue to lead the U.S.-Mexico Plenary Group of Senior Law Enforcement Officials to produce a binational and interagency strategy and action plan for chemical controls not included in the methamphetamine action plan. The DOJ will make regular reports on plans and progress through ONDCP to the High Level Contact Group.

#### 7. Combating Money Laundering and Other Financial Crimes

Drug trafficking organizations are profit oriented. Their illicit gains must be converted into legal instruments if the profit is to be realized. Money laundering is an essential component of the drug trafficking cycle.

Working through the U.S.-Mexico Plenary Group of Senior Law Enforcement Officials, the Departments of State, Justice, and the Treasury will develop recommendations for strengthening legislation to combat drug and other serious crime-related money laundering activities in Mexico through a combination of criminal penalties, large value and suspicious transaction reporting, as well as laws providing for the seizure and forfeiture of the proceeds and instrumentalities of crime and for international cooperation in this tracing, forfeiting, and equitable sharing of such assets. In addition, the Departments that comprise the Plenary Group will produce a plan for training anti-money-laundering law enforcement specialists, and a plan to expand the exchange of information to protect the integrity of financial institutions. They will report progress and plans through ONDCP to the High Level Contact Group.

A report on progress achieved in this area will be presented to the U.S.-Mexico High Level Contact Group on Drugs during its next meeting in June.

#### 8. Improving Bilateral Law Enforcement Cooperation

Bilateral U.S.-Mexican law enforcement cooperation is at an historic high. However, more can be done.

The U.S.-Mexico Plenary Group of Senior Law Enforcement Officials will continue to be the principal coordinating mechanism for bilateral law enforcement cooperation. The Department of Justice will continue to lead that Group. The DOJ will make regular reports to the High Level Contact Group

through ONDCP of the progress and plans that result from the working sessions, and will report law enforcement cooperation accomplishments at the next meeting of the High Level Contact Group. The basic principle to be followed is that coordination will be facilitated at the lowest possible echelons and produce measurable results.

Recommendations from the Plenary Group will also be presented to the U.S.-Mexico High Level Contact Group on Drugs during its next meeting in June.

9. Capturing Fugitives from Justice

The principle that no felon should be able to escape justice by using a border defines the joint U.S.-Mexico approach to fugitive issues.

The Department of Justice, operating through the U.S.-Mexico Plenary Group of Senior Law Enforcement Officials will improve the mechanism for return of fugitives from one country to the other. Those mechanisms will fully respect the absolute sovereignty of each nation's laws.

The DOJ will make regular reports to the High Level Contact Group through ONDCP of the progress and plans that result from the Plenary Group sessions, and will report law enforcement cooperation accomplishments at the next meeting of the High Level Contact Group.

10. Sharing Information and Helping Criminal Prosecution

We must assure that criminals do not escape punishment because of an inability to investigate or produce evidence for trial.

The U.S.-Mexico Plenary Group of Senior Level Law Enforcement Officials will produce recommendations for both countries to improve access to law enforcement and prosecutorial evidence and information. The Group will report its progress at the June meeting of the High Level Contact Group.

11. Denying Our Sovereign Territory to Drug Trafficking

International drug trafficking organizations routinely violate the sovereign air, land, and sea space of nations. We must find ways to shield our sovereign territories from these criminal violations.

The ONDCP will coordinate an interagency effort to develop unilateral and bilateral measures to prevent drug traffickers from violating our sovereignty. Such measures must fully respect the undisputed sovereign authority of each government within its national territory. Participating departments will include Justice, State, the Treasury, and Defense. Particular attention will be paid to large shipments of illegal drugs to Mexico and the United States.

An interim report will be presented to the U.S.-Mexico High Level Contact Group on Drugs during its next meeting in June.

12. Employing High Technology

Mexico eradicated more drug crops than any other country in the world in 1995. The United States, likewise, has pursued a nationwide eradication effort. Technical exchanges, in such areas as use of high technology and environmental protection, will benefit the eradication programs of both countries.

The ONDCP will coordinate an interdepartmental study on these issues. The study will be conducted in conjunction with the Government of Mexico. The Departments of Defense and State, and other relevant U.S. agencies will participate in this study.

Specific recommendations will be submitted to the U.S.-Mexico High Level Contact Group on Drugs within 180 days.

13. Summarizing Success

The Director of the Office of National Drug Control Policy is directed to submit a review of the results of cooperative U.S.-Mexico efforts against drug production and trafficking to the President's Council on Counter-Narcotics, prior to December 31, 1996.

This memorandum shall be published in the Federal Register.

William J. Christie

Ms. SLAUGHTER. But what kind of difference do you think that is going to make?

Mr. FLEENER. Is that the one where they have, I think, the 13 point plan?

Ms. SLAUGHTER. Right. That we're going to try to help them.

Mr. FLEENER. We are going to try to help them and, also, that there will be a joint counternarcotics strategy. I think that's the memorandum.

Ms. SLAUGHTER. Now, your experience up to now is you can't help them very much, right?

Mr. FLEENER. Well, the Mexicans, up until now, wouldn't accept United States aid. I know under that strategy when we talked with the people under that memorandum, the people at the drug czar's office said that they expected a strategy to be developed by the end of the year.

Ms. SLAUGHTER. And implemented?

Mr. FLEENER. Well, I don't know about implemented.

Ms. SLAUGHTER. See, that's where we are. I tell you, the mountains of paper that come through and say look what we've all done here, this is going to just be splendid, over the years after a while even Alice in Wonderland on her best day could not believe an impossible thing like that before breakfast. I know I can't.

Mr. FLEENER. We went to Mexico last June, right before some hearings that this subcommittee held. We asked them for the embassy strategy for developing, and they didn't have one. That was one of the points we testified on.

When we went there this February, they had a strategy. They had sat down with all of the law enforcement agencies on programs that they thought could address the problems within Mexico and how they could help. Now they have the strategy but it wasn't funded. So, you know, I don't know how much the embassy can do. They developed one, but no money for it.

Ms. SLAUGHTER. But no money. This has been a continual problem. I remember when I was on this committee in the late 1980's and we had testimony at that time that, even though we had spent some money to provide new boats for the Coast Guard, we didn't give them enough money to put gas in them.

And then I remember all the strategy at that time was a bunch of balloons along the Southwest border, which it struck me as odd at the same time too since there is so much more of the United States come in through and, particularly, I live up on the Canadian border and we are seeing a lot more drugs crossing over that border.

So I would like to be hopeful here that we are going to make some difference, but I think the only way we are ever going to solve it for our country is to really cut down on the demand and try to do everything that we can. I mean, I feel it is our responsibility to try to protect the borders but the great responsibility, and we leave it to the local policing agencies to try to deal with it.

And I think a lot of money that we might be able to put into prevention and start with kids very early that they don't want to burn their brains out might be the best and only hope we have because I don't think these governments are going to get any better, not as long as there is that kind of money to be made.

So I guess my time is up too, and I thank you very much.

Mr. MICA. I thank the gentlelady. I have several more questions. First of all, in your report—and the title of the report is “U.S. Interdiction Efforts and the Caribbean Decline.”

Mr. FLEENER. That’s the report from last time.

Mr. MICA. Yes; this report from April 1996.

Mr. FLEENER. Last month’s hearing. That’s not the one we issued today.

Mr. MICA. I know. But in this report, this details part of the reason for the situation we find ourselves in. In fact, in this April report, one of the comments on page 31 is 2 years after the executive branch issues its counternarcotics policy for cocaine, it has not fully developed a regional plan to implement the strategy and been able to fully staff inter-agency organizations with key roles in the interdiction program.

Then if we look at the stuff coming into the United States, you look at the reason why it is coming into the United States. Page 13 also of the April report, unless this has changed, says, “A Presidential directive issued in November 1993 called for a gradual shift in emphasis from transit zone to source countries.”

Then at the bottom you see one of the reasons that we are being flooded with this junk. You start in 1992 or 1993 where you see the previous Congress and administration’s priorities. In DOD they went from a high of \$504 million down to \$214, Coast Guard \$443 down to \$301, Customs from \$16 to \$12.8, State Department from \$36 to \$10. Now, that is in counternarcotics funding in transit zones. Then you go down into source countries. In their priority they go from \$154 to \$148, \$6 to \$5, State \$105 to \$54, a total of a high of \$287 to \$230.

So the reason for the failure is detailed in this. It is set by having no policy by the United States and having no resources committed to this. Is that correct or is this wrong?

Mr. NELSON. The report is correct.

Mr. MICA. Let me ask you about the shift of traffic to Mexico.

Mrs. THURMAN. Mr. Chairman, what year were you talking about in that?

Mr. MICA. April 1996.

Mrs. THURMAN. And what year was the report, though, actually for?

Mr. MICA. April 1996. It is astounding.

Mr. NELSON. Issued last month.

Mr. MICA. Issued last month.

Mr. FLEENER. At the hearing last month.

Mr. MICA. But the gentlelady from New York just talked about the balloons and stuff like this. Let me read from the report here. Let me read from the report on that. “U.S. law enforcement officials have reported that lost radar capabilities have hampered their operations in and around the Bahamas.”

A March 1995 report concluded that the loss of radar coverage had hampered operations to detect specific aircraft flying to the Bahamas. Another report noted the loss of aerostat balloons and ground-based radars left Bahamas virtually free of detection and monitoring assets. Then up above it you also detail.

And tell me if these things have changed since April. It says enforcement, Customs. This is about funding. Customs, marine law enforcement program loss 51 percent of its budget. And again, the directive was from the President of the United States.

I also want to ask you about shifting \$40 million from the narcotic fund in a classified document that the President did and put the money into Haiti away from these programs. But I'll get to that in just a second.

So 54 percent of its personnel, 50 percent of its vessels in fiscal year 1995, this is what the enforcement program lost. Is that correct? Are these figures still correct?

Mr. FLEENER. I have no reason to question why they are not.

Mr. NELSON. No change that we know of.

Mr. FLEENER. We haven't looked at the Caribbean.

Mr. MICA. Are you all aware of anything on the shift of the \$40 million and a classified document from the narcotic effort to Haiti?

Mr. FLEENER. I think last year, last June, we testified. In our testimony it talked about a \$25 million shift.

Mr. MICA. Are you aware of a \$40 million shift?

Mr. FLEENER. No, sir.

Mr. MICA. Can you look into that and report back, and can you also see if there is any reason for that document still to be classified? Could you do that?

Mr. NELSON. Yes, sir.

Mr. MICA. I would like to yield 30 seconds to the gentleman from Illinois.

Mr. HASTERT. I just want to followup. Mrs. Slaughter's statement aroused me here a little bit. You know, since 1992 we have seen a 200 percent increase in the overall teen drug use in this country, after an 80 percent drop in drug use between 1985 and 1992. Now, since 1992 we have seen, since the gentleman from Florida eloquently stated, a drop in assets.

Now, when we also have seen a drop in drug prices, on street drug prices, for cocaine that is pure. The marijuana is 25 times, in some cases, more potent than it was. And that addicts our kids. If we could get that stuff off the street, if we can drive up the prices of drugs on the street in this country by eradicating in the source countries and interdiction, doesn't that seem to make sense? Isn't it a lot more expensive to try to fight drugs on our streets instead of trying to eradicate them and to interdict them in the source countries and the transit countries.

Mr. FLEENER. I'm not familiar with the exact cost. It would seem like it would be a lot easier to seize a ton of cocaine at its source where it is being produced, all in one load, than chasing down however many people you would have to chase down on the street corner to come up with a ton of cocaine.

Mr. HASTERT. I mean, we have spent \$485 billion in this country. It costs this country \$485 billion every year on violent crime, and most of the violent crime is driven by drugs. It seems if \$1½ billion spent in the source countries and the transit areas seems to make inherent good sense.

Mr. NELSON. Well, it doesn't seem to commensurate with the problem.

Mr. FLEENER. Mr. Mica, I was handed a copy of our testimony from last year on the money to Haiti. I stand corrected about the \$45 million originally intended for counternarcotics to the source countries was reprogrammed to assist Haiti's democratic transition. These funds were needed in Haiti to support activities such as paying the cost of non-United States personnel assigned to the multinational force, training of a police force and developing a creation and a feeding program, a job creation and feeding program.

Mr. MICA. I would still like to see if we can get a response on the classified document and if we could get that released. We do have a vote, but I want to yield to the gentlelady.

Mrs. THURMAN. I know for some of us that live in Florida that is a very difficult situation because some of the issues that the Coast Guard and others have responsibility over is not just drug interdiction. We also have an issue of immigration policy and, of course, that is our borders. And we have a whole political issue going on in Florida over keeping our borders so that we don't have boat people. We were trying to do some other things.

So I just caution, you know, this chairman because there are—that is a very double-edged sword for us, and I think particularly in Florida. But, nonetheless—

Mr. MICA. I thank the gentlelady for her comments. I know we have to vote but—

Mrs. THURMAN. And I just want to say one other thing since this is my time. That in 1992 we started to see this whole issue of interdiction, drug trafficking, the moneys start to come down. And in this budget it is the highest that it has ever been in this country.

So I think we just need to make sure that as we go through these facts that we don't just tell one side of the story; that we also take it all the way through. And I think that is important and I am leaving to go.

Mr. MICA. I appreciate the gentlelady's comments. And I do also want to state a couple of the facts that indeed we need to increase the assets of the Coast Guard which have been slashed in half at the recommendation of this administration due to the fact that 26 percent of the drugs, according to either your April report or your latest report, are coming in through Puerto Rico.

Is that correct, 25 percent of the cocaine is coming in through—I'm sorry, 26 percent of the cocaine is coming into the United States from Puerto Rico, right?

Mr. NELSON. Right.

Mr. MICA. Seventy percent from Mexico. So you don't have to have a Harvard Ph.D. in mathematics to figure out that that accounts for a lot of it. Now, we can't post our Coast Guard around Mexico, but we sure as hell can post it around Puerto Rico. And when you cut the other source, you see an increase. And that is what we have been seeing and that is what these reports detail.

And when you give Mexico trade advantages and you give Mexico financial advantages and we help them build their infrastructure and we see nothing in return, as your report details, I think we have a real problem here.

I appreciate your testimony. I have a whole bunch more questions for you gentlemen. I will submit them and they will be made part of the record.

I will dismiss this panel and we are going to recess now for 15 minutes. At 12:15 sharp, we will have the next panel. We are recessed temporarily. Thank you, gentlemen.

[Recess.]

Mr. MICA. I call the subcommittee back to order. I am going to combine the last two panels and have George Weise, the Commissioner of the U.S. Customs Service, and Harold Wankel, the Chief of Operations of the Drug Enforcement Administration, testify.

Gentlemen, as you know, this is an investigation, an oversight subcommittee of Congress, and it is our custom and procedure to swear in witnesses. I don't believe you are sworn in.

If you could stand, gentlemen, and raise your right hands.

[Witnesses sworn.]

Mr. MICA. Let the record reflect that the witnesses answered in the affirmative. And I would like to welcome you gentlemen. First we are going to hear from Commissioner Weise, the U.S. Commissioner of Customs, head of our Customs Service.

Sir, you are recognized for 5 minutes. We would be glad to make your complete statement part of the record and you are free to summarize.

We welcome you, and you are recognized.

**STATEMENTS OF GEORGE J. WEISE, COMMISSIONER, U.S. CUSTOMS SERVICE; AND HAROLD WANKEL, CHIEF OF OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION**

Mr. WEISE. Thank you, Mr. Chairman, I will do just that. It is a real pleasure to appear before this committee today to have a chance to thank you for your interest and continuing support and to update you on our most recent initiatives to interdict illegal narcotics along our southern border.

As you know, in the past year we have seen a tremendous increase in narcotic smuggling along the Southwest border, and today before this subcommittee and the American people, I want to reaffirm our commitment at Customs to meeting and eliminating this threat.

Although the mission of the Customs Service is extremely diverse, none of the challenges that we face is more important than stemming the flow of illegal drugs into this country. In the past few weeks alone, Customs has reported a number of significant narcotic seizures. On June 6, 1996, for example, Customs inspectors seized over 2,000 pounds of marijuana with a street value of more than \$2 million. At the Ysleta cargo facility in El Paso, TX, one of our drug sniffing dogs named Josh led inspectors to a load concealed behind the false wall of an empty commercial trailer.

On June 2, Customs inspectors seized 44 pounds of heroin concealed in the right front quarter panel of a 1982 Volvo sedan at the port of San Ysidro, CA. Forty-four pounds may not sound significant, but that amount of heroin has a street value of up to \$8 million.

The day before Customs inspectors had seized over 1,000 pounds of cocaine concealed in a false wall of a refrigerated trailer loaded with a commercial shipment of mixed produce at the port of Pharr, TX. A week earlier, Customs inspectors at the port of Rio Grande City, TX, had discovered over 2,000 pounds of cocaine concealed in

a false floor compartment of a refrigerated trailer loaded with a commercial shipment of carrots.

At Customs, we believe that our enhanced ability to make these kinds of seizures is directly attributable to an initiative we formally introduced in February of last year called Operation Hard Line. Operation Hard Line is a tough, uncompromising response to the increase in narcotic smuggling on our Southwest border. Very importantly, it is an operation that was designed to counter the drug threat in a very specific environment, one that has historically posed unique challenges for the U.S. Customs Service.

Our responsibilities on the Southwest border include interdiction along a 2,000 mile span of some of the most inaccessible, inhospitable geography in the United States. For the drug trafficker, of course, the inhospitable geography is an advantage and this long, largely deserted corridor provides the traffickers and the couriers with innumerable havens and escape routes.

Moreover, the task of keeping drugs from crossing the border is all the more challenging considering the fact that 2.8 million commercial trucks, 84 million cars, and 232 million passengers enter the United States through the 38 ports of entry along the border each year. And we must meet this challenge with an inspectional staff of 1,800 personnel.

After our own personnel, the people who probably best understand the kinds of pressures and the workload we are facing are the trafficking organizations, whose objective it is to outwit and evade the best efforts of U.S. law enforcement.

The primary Mexican trafficking organizations responsible for the current increase in smuggling along the Southwest border are always on the lookout for the most vulnerable points in our defense and ready to change their methods to take advantage of any openings they find. So far, Customs has displayed the kind of flexibility and determination needed to keep the traffickers off balance and on the run.

Since 1990, our Customs aviation program has been exceptionally effective against drug smuggling. Our use of the Customs P-3 AEW aircraft, the Black Hawk helicopter and the Citation II intercept aircraft have, for all intents and purposes, driven the traffickers out of the skies over the Southwest border. The Citation II intercept aircraft has also worked to stop the drug traffic going into Mexico, and Customs has used this aircraft to provide hands-on training to Mexican pilots in airborne intercept and tracking.

After they were forced out of the sky over the Southwest border, narco-traffickers turned to other increasingly desperate methods of moving their illegal cargo. Traffickers began to enlist the services of couriers desperate and dangerous enough to work as port runners. The job of a port runner is to penetrate our Customs port facilities at any risk to themselves and at any risk to innocent civilians and Federal personnel who happen to be in their way.

In 1995, Customs saw a dramatic rise in the number of so-called port running incidents along that border, with our Customs ports along the border reporting two or three instances per month of high speed chases and violent shootouts that were clearly endangering the lives of civilians and Federal officers alike.

Operation Hard Line was an immediate and direct response to this escalating violence. Customs was able to initiate this operation by reallocating a number of our own resources. Subsequent congressional appropriations of \$39 million for fiscal year 1996 allowed us to continue implementation of Hard Line; and the President's fiscal year 1997 budget request, which includes an additional \$65 million for Hard Line and 657 new positions will, with your support, carry us through the upcoming fiscal year.

This funding, Mr. Chairman, is extremely important to the future success of Operation Hard Line and to our interdiction efforts. Let me describe just a few of the dividends Hard Line has generated since the operation began 15 months ago. Incidents of port running have dropped by 52 percent since fiscal year 1994. Narcotics seizures along the Southwest border have increased in every category.

In fiscal year 1995, the amount of cocaine seized by Customs represented a 19 percent increase over the amount seized in the prior year. In the same year, the amount of marijuana seized by Customs represented a 25 percent increase over the amount seized in fiscal year 1994, and in fiscal year 1995 we saw a 108 percent increase in the amount of heroin seized over the previous year.

As dramatic as these seizure statistics are for Customs, they only tell part of the success story that Operation Hard Line has come to represent. Hard Line is now forcing the traffickers to look for even more ingenious methods and new smuggling routes to move their merchandise across the U.S. border.

For example, we are now seeing an increase in narcotics seizures made between the ports of entry on the Southwest border. Trafficking organizations are also using fishing vessels and small, inflatable boats to smuggle cocaine and marijuana into the United States from Mexico. The most important evidence that Hard Line is working, however, is the recent increase in smuggling activity occurring in southern Florida and in the eastern Caribbean, particularly around Puerto Rico.

Our response to this new traffickers' offensive is called Operation Gateway, an expansion of the original Hard Line strategy across the entire southern tier of the United States. With support from the Commonwealth of Puerto Rico, Customs is implementing Operation Gateway as an element of Hard Line II, the next phase of this strategic program.

In fiscal year 1997 we hope to implement Hard Line III, the third phase of this long-term counter drug strategy. And as I mentioned before, the appropriation of \$65 million would be tremendously useful to us.

It is also important to note as well that in April 1996 the administration submitted a \$250 million reprogramming request as a means of intensifying our Nation's drug law enforcement, treatment and prevention efforts. Of that \$250 million, Customs would receive \$98 million to retrofit two P-3 AEW aircraft which would help patrol against trafficking from Mexico and South America and \$6 million would go to Customs to buy two cargo search x-ray machines for the Southwest border to examine trucks coming from Mexico.

Our ultimate objective as regards Operation Hard Line is an ambitious one: to develop an interlocking system of measures that permanently and comprehensively strengthen our ports of entry across the entire southern tier of the United States. The process, of course, would include a regular review of Hard Line's methods and results, which we look forward to sharing with this subcommittee.

When Operation Hard Line is fully implemented, our victory will be on two fronts. We will have protected our citizens and communities from the scourge of illegal drugs and, at the same time, we will have guaranteed the benefits of a free marketplace to the American people.

Mr. Chairman, we have made significant progress in our interdiction efforts over the past year, but we understand we still have a long, long way to go. And with your help, we know we can and will do even better in the future.

Thank you for this opportunity to appear before the subcommittee. I would be happy to answer any questions that you may have.

[The prepared statement of Mr. Weise follows:]

Statement of George J. Weise  
Commissioner  
U.S. Customs Service

Before the  
House Subcommittee on National Security,  
International Affairs, and Criminal Justice  
June 12, 1996

Good morning, Mr. Chairman and Members of the Subcommittee. It is my distinct pleasure to appear before you today to discuss developments in narcotics interdiction along our Southwest Border. Although the Customs Service's mission is extremely diverse, none of the challenges we face is more important than stemming the flow of drugs into this country.

When I spoke before you almost one year ago, on June 28, 1995, I briefly described Customs' narcotics interdiction efforts over the past decade, including our many achievements. Today I would like to discuss Customs' response to the tremendous increase in narcotics smuggling along the Southwest Border. My remarks will include a brief overview of the scope of the problem, as well as what we are doing now to meet the challenge and what we hope to do in the future with continued support from this Subcommittee and others.

As you know, the level of narcotics trafficking along our Southwest Border is nothing less than a threat to our national security. To confront this threat, Customs has devised a long-term strategy known as Operation HARD LINE. The Congress has supported this initiative to date, and I strongly urge you to support the President's FY97 Budget request, which includes an additional \$65 million for HARD LINE.

THE CHALLENGE

As the nation's principal border narcotics interdiction agency, Customs faces the daunting task of confronting Mexican and other trafficking organizations along the 2,000 mile long Southwest Border, while simultaneously processing the 2.8 million commercial trucks, 84 million cars, and 232 million people that entered the U.S. through 38 ports of entry in FY95. In contrast, Customs currently has a staff of only 1,800 inspectional personnel working along the Southwest Border.

Due to the successful multi-agency interdiction effort in South Florida and the Caribbean during the late 1980's and early 1990's, narcotics trafficking organizations began to shift their operations to the Southwest Border. As a result, Customs was faced with a dramatic increase in narcotics smuggling and related violence in that region.

Four primary Mexican narcotics trafficking organizations are responsible for a large and growing share of the illegal drugs found on American streets. Traditionally, these Mexican groups were mainly concerned with smuggling marijuana into the U.S. Realizing that the transportation routes were already in place, the Colombian drug cartels hired the Mexican groups to smuggle cocaine across the Southwest Border. Over time, the Mexican traffickers increasingly received payment from the Colombians in the form of a percentage of the cocaine shipments. This "payment in product" enabled the Mexican trafficking organizations to build their own distribution networks into and throughout the U.S. An additional incentive to receiving "product" as a form of payment for moving the narcotics across the Southwest Border is that it gives Mexican trafficking organizations the ability to undercut their Colombian partners/competitors and reap a 100% profit for their illegal activities. The Office of National Drug Control Policy (ONDCP) has estimated that up to 70 percent of the cocaine smuggled into the U.S. enters across the Southwest Border. Based on our own experiences, it is clear that a significant percentage of cocaine is crossing our Southwest Border. In addition, these same organizations are continuing to be responsible for the smuggling of heroin and marijuana, and are beginning to dominate the U.S. methamphetamine trade.

Over the past several years, Customs has discovered numerous illegal drug shipments all along the Southwest Border being smuggled in the following areas: passenger vehicles, commercial cargo and conveyances, and pedestrians at the ports of entry; four-wheel drive vehicles and backpackers in between the ports of entry; and private aircraft flying over the border. In addition to these more conventional smuggling routes, there was the discovery of three subterranean tunnels used to smuggle drugs and illegal aliens under the border.

In FY94, Customs saw a dramatic increase in another method of drug smuggling along the Southwest Border known as "port running." Port runners, driving vehicles loaded with illegal drugs, speed through ports of entry to avoid capture. This violent smuggling method at times has resulted in high-speed chases and gunfire, endangering the lives of federal officers and innocent bystanders.

#### **CUSTOMS ACTION PLAN: OPERATION HARD LINE**

In response to the increased level of narcotics trafficking and related violence along the Southwest Border, Customs developed a long-term strategy focusing on permanently hardening our interdiction and investigative efforts at the ports of entry. In February 1995, I formally announced the beginning of Operation HARD LINE. The major operational components of HARD LINE focus on: smuggling in vehicles and commercial cargo; investigations;

and intelligence support. Customs was able to initiate HARD LINE by reallocating some of our own resources. Subsequent Congressional appropriations of \$39 million for FY96 enabled us to continue implementing the initiative.

Implementation of HARD LINE proceeded along many fronts. Port facilities were remodeled to include structural deterrents to port running, such as pneumatic, hydraulic and stationary bollards, jersey barriers, and tire deflating devices. Customs officers picked up the pace of inspections by roving the lines of trucks and cars waiting to enter the U.S. utilizing various "pre-primary" inspectional techniques, such as behavioral analysis, questioning drivers, and running the drug sniffing dogs. We also increased the use of a practice known as the "block blitz", in which inspectors randomly select whole lines of traffic for complete inspection. In addition to facility improvements and operational changes, Customs has acquired high technology, non-intrusive inspectional devices which enable our officers to work more efficiently. A few examples of these devices are the truck x-ray, mobile x-ray, pallet x-ray, "Buster" density meter, laser range finder, and fiberoptic scope.

Customs also reallocated personnel resources and began transferring to the Southwest Border 160 Special Agents from other areas of the country. These agents have already been instrumental in supplementing our investigative efforts in conducting nearly 5,000 narcotic investigations along the southwest border. They were also used to increase our participation in numerous controlled deliveries of seized narcotics with the goal of increasing the number of arrests leading to the disruption and dismantling of the Mexican smuggling organizations.

#### **Rohypnol**

Rohypnol, a Schedule IV Controlled Substance not approved for use in the U.S., is the brand name of a pill manufactured in Mexico, South America, Europe and Asia by the Swiss-based Hoffman-La Roche Pharmaceuticals, Inc. Rohypnol, also known as "Roofies", is a sedative that is approximately 10 times as potent as Valium. The Drug Enforcement Administration has stated that this substance is a fast growing drug problem in our country. It is called, by many, the "Date Rape Pill," due to its effects on the human body when mixed with alcohol. National seizure statistics indicate that the abuse of Rohypnol is most apparent in Florida and Texas, but its use is steadily growing in 32 other states. Due to its extremely low cost and ease of availability in Mexico, Rohypnol is rapidly overtaking marijuana as the leading substance of abuse in many high schools along the Southwest Border.

Customs recognized that this was a growing problem, and initiated a working group which included participants from the Food and

Drug Administration and the Drug Enforcement Administration. As a result of that effort, I was able to formally announce a total ban on the importation of Rohypnol on March 5, 1996. Treasury Secretary Robert Rubin congratulated Customs, stating "This cites an excellent example of how a forward-looking, proactive government agency is working to address an important societal problem..."

#### Customs Aviation Program

The Customs Aviation Program has made significant contributions to our efforts in protecting our Southwest Border from being exploited for illegal smuggling activities. While continuing to deny drug trafficking organizations the option of using our airways to transport narcotics from Mexico into the U.S., Customs aircraft provide valuable support to our investigative and enforcement efforts along the Southwest Border. For example, Customs aircraft, such as the Black Hawk helicopter on loan to us from the Department of Defense, provide assistance in addressing the threat of port runners along the Southwest Border as well as supporting the Border Patrol in identifying and maintaining surveillance of suspect traffickers crossing in between the ports of entry. Our aircraft also provide invaluable support to surveillance efforts when conducting controlled deliveries and pass-throughs from the ports of entry to distribution points throughout the U.S.

Also of note is the contribution that the Customs Domestic Air Interdiction Coordination Center, or "DAICC", has made to Operation HARD LINE. Using aircraft target information obtained by the aerostat radars, the DAICC identifies and monitors suspicious aircraft activity in northern Mexico. This information as to where in northern Mexico drugs are being transported is forwarded to Customs and Border Patrol officers so that they may anticipate where the drugs will likely cross the Southwest Border.

The U.S. Customs Service Domestic Air Interdiction Coordination Center played a pivotal role, in concert with the Federal Aviation Administration, the U.S. Coast Guard and the State Department, in monitoring and documenting events surrounding the recent shoot-down of the two "Brothers to the Rescue" aircraft.

This is consistent with the Center's responsibilities for monitoring for suspect drug activity in the southeast U.S., and the eastern Caribbean regions, including the waters surrounding Cuba.

Customs aircraft also help to address the flow of drugs into Mexico. Customs P-3 AEW and Citation II interceptor aircraft play a key role in source nation interdiction programs which target the trafficker airbridge from Peru through Colombia to

Mexico. Source nation interdiction programs, with critical assistance by Customs aircraft, last year successfully disrupted the cocaine economy of much of Peru. Customs aircraft also are essential to Mexican efforts to interdict the flow of drugs coming into Mexico. By detecting and monitoring drug trafficking aircraft departing South America, we can provide information to Mexican law enforcement agencies in time for them to prepare and game receptions at the transshipment destination in Mexico. Since 1990, Customs also has based two of its Citation II interceptor aircraft in Mexico to provide dedicated, hands-on training to Mexican pilots in the tactics of airborne interception and tracking. This program has yielded tremendous results in terms of enhancing the Government of Mexico's ability to successfully interdict drug trafficking aircraft attempting to use their country as a transshipment point for drugs entering the U.S.

Customs P-3 AEW aircraft also provide a great deal of support to the Southwest Border narcotics interdiction initiative by detecting and monitoring drug trafficking aircraft departing South America en route to transshipment points in Mexico; as well as by providing gap-fill coverage for downed Southwest Border aerostats. Because of their exceptional capabilities, comparative cost-efficiency, and, hence, the tremendous demand for Customs P-3 AEW aircraft, the Administration has identified to Congress the need for two more of these aircraft to be added to the Customs fleet.

#### Intelligence Program

In support of HARD LINE, Customs formed Intelligence Collection Analysis Teams (ICATs) at the seven major Southwest Border ports of entry and at two Customs Air Branch offices to aggressively pursue the objective of collecting, analyzing and disseminating intelligence related to drug smuggling in their geographic areas of responsibility. The ICATs are cross-functional, multi-discipline intelligence teams that take full advantage of the talents and experiences of the Customs inspector, agent and intelligence analyst, as well as input from state and local law enforcement. The ICATs utilize information available from local sources such as informants, newspapers, and the local import/export community, and have significantly improved the volume and quality of intelligence related to Southwest Border narcotics smuggling. The establishment of this multi-discipline concept provides a place where field officers can go to receive timely intelligence information. These teams also produce detailed Port Seizure Analyses which paint a complete picture of a failed smuggling attempt. The ICATs are credited with producing intelligence that has led to numerous drug seizures and arrests since the inception of HARD LINE.

Customs also realized that, as we became more effective in deterring the use of passenger vehicles to smuggle drugs through the ports of entry, the drug smugglers would then turn to concealing narcotics in commercial cargo and conveyances along the Southwest Border. To address this situation, Customs conducted an extensive "gate-to-gate" review of its cargo processing procedures to identify vulnerabilities that could be exploited by drug smugglers. Systems identified as needing improvement were given priority attention. One result of this review was the modification of the Line Release Program.

#### Line Release Program

Initiated on the Southwest Border in 1987, the Line Release Program is only one of several cargo systems designed to assist Customs inspectors in processing cargo. The program is designed to identify to the inspector those importers that ship low-risk, repetitive shipments. To participate in the Line Release Program an importer or shipper must submit an application, and Customs, along with the Department of Agriculture and the Food and Drug Administration, performs 43 checks and queries utilizing our commercial and enforcement databases. In addition, the inspector has the authority to examine any Line Release shipment that is suspected of containing drugs.

#### Land Border Carrier Initiative Program

Under a new policy that I announced last September, Customs will require Line Release participants to use only those transport companies that are signatories to the Land Border Carrier Initiative Program (LBCIP). The LBCIP was developed as part of Operation HARD LINE to enlist the support of transport companies in the war on drugs. The purpose of the LBCIP is to deter smugglers from using commercial cargo and conveyances by providing the transport companies with incentives to improve the security of their facilities and conveyances, and to encourage these companies to recognize and report suspected illegal activities to Customs.

Effective January 1, 1996, all new applicants to the Line Release Program must have their merchandise transported by a LBCIP-signatory trucking company; and effective July 1, 1996, all Line Release participants must use LBCIP-signatory companies.

#### RESULTS TO DATE

It has now been 15 months since the inception of Operation HARD LINE, and the program is already paying dividends on our investment along the Southwest Border. For example, incidents of port running have dropped by over 52 percent since FY94.

FY95 Customs drug seizures along the Southwest Border showed a

dramatic increase over FY94. The total number of seizures of narcotics jumped 22 percent, while the amount of drugs seized, in pounds, rose even more -- by 24 percent. A record 51,162 pounds of cocaine were seized, which is a 19 percent increase over the year before; 137 pounds of heroin, which is a 108 percent increase; and 407,337 pounds of marijuana, which is a 25 percent rise. In the first seven months of FY96, the number of Customs Southwest Border drug seizures continued to rise.

The number of narcotics seizures being made in commercial cargo shipments is also on the rise: a total of 26 in 1995, more than double the preceding year's total of 12. Seven of these were cocaine seizures, a Customs record for the Southwest border. And thus far this fiscal year, our seizure data continues to reflect Operation HARD LINE's progress. To date in FY96, we have already made a total of 44 narcotics seizures in commercial cargo on the Southwest Border, eight of which were cocaine seizures totaling over 8,200 pounds.

But Customs narcotics seizure statistics at Southwest Border ports of entry reveal only part of the story about Operation HARD LINE's success. HARD LINE is now causing smugglers to once again look for other trafficking routes to get their illegal drugs into the U.S. One indicator of this trend is the increase in the number of narcotics seizures made in between the ports of entry. Cocaine seizures made by Customs and the Border Patrol in between the ports totaled 50,000 pounds in FY95 and represented a 49 percent increase over FY 94, while marijuana seizures by both agencies in between the ports totaled 607,000 pounds, which was a 24 percent increase compared to the previous year.

Another indicator that HARD LINE is causing the drug smugglers to change their methods on the Southwest Border is the smuggler's increased targeting of our most remote, vulnerable ports of entry. The following recent seizures highlight this new development: On June 1, 1996, Customs inspectors seized 1,018 pounds of cocaine concealed in a false wall of a refrigerated trailer loaded with a commercial shipment of mixed produce at the port of Pharr, Texas; on May 25, 1996, Customs inspectors at the port of Rio Grande City, Texas, discovered 2,039 pounds of cocaine concealed in a false floor compartment of a refrigerated trailer loaded with a commercial shipment of carrots; on May 16, 1996, Customs inspectors, with assistance from California National Guard personnel, seized 548 pounds of marijuana concealed in hollowed-out "I-beams" in the undercarriage of a trailer at the port of Tecate, California.

Over the past year, we have also begun to see an increase in drug smuggling activity around the Southwest Border. Smuggling organizations are using fishing vessels and smaller inflatable boats to smuggle cocaine and marijuana into the U.S. from Mexico. The increase in this activity has been most evident in the waters

off of Brownsville, Texas, and San Diego, California. Recently, there was a seizure of 900 pounds of marijuana off the coast of San Diego in a 14-foot inflatable boat. During March 1996, 4,315 pounds of marijuana were seized on the beaches near Brownsville, Texas. To address this recent development, Customs has increased the number of our vessels assigned to San Diego, and we have intensified our marine enforcement efforts in both geographic areas. Customs aircraft are also serving as a valuable tool in addressing this emerging marine smuggling threat by providing aerial search and surveillance support of suspect drug trafficking vessels approaching U.S. shores.

This brings me to perhaps the most important indicator that HARD LINE is having an impact on narcotics trafficking on the Southwest Border - the recent increase in drug smuggling activity taking place in the Eastern Caribbean, particularly around Puerto Rico. The Colombian drug cartels appear to be expanding their delivery paths and are increasingly resorting to their predominant trafficking routes of the 1980's.

#### THE FUTURE AND CUSTOMS RESOURCE REQUIREMENTS

It has been a favorable beginning for Operation HARD LINE. But it is only the beginning. There is much more to be done and Customs is committed to getting it done. We are now in the midst of taking HARD LINE to the next levels with HARD LINE II and III.

HARD LINE II, which we are implementing in FY96, is an expansion of the HARD LINE strategy to include the entire Southern Tier of the U.S., from San Diego to San Juan. To address the problem of increased drug smuggling in the Puerto Rico area, Customs, with support from the Commonwealth of Puerto Rico, is implementing Operation Gateway as an element of HARD LINE II. Operation Gateway is a multi-disciplinary, multi-agency approach to the problem of narcotics smuggling and money-laundering in the Caribbean. This initiative encompasses all areas of interdiction, including: expanded marine and air enforcement, increased cargo examinations, outbound initiatives (international and continental U.S.), and expanded small vessel searches. It also calls for use of advanced technology, additional inspectional and investigative support, and the resources necessary for a more effective interdiction strategy. Customs has reallocated \$5 million to support the various elements of Gateway and plans to receive an additional \$2.5 million from the Commonwealth of Puerto Rico for this operation.

HARD LINE II also includes a number of special intensive enforcement programs. These short-term "pulse and surge" narcotics interdiction programs will enhance our traditional approaches to the counter-narcotics problem. During FY96, we are detailing 40 Customs inspectors and 100 Special Agents to the Southern Tier of the U.S. to immediately begin using the new

vessels, aircraft, and other anti-smuggling technology. We have briefed the Drug Enforcement Administration, Border Patrol and other agencies on these programs and our goals so that they too can integrate their operations into ours.

Customs is continuing to significantly increase its staffing along the Southwest Border. By the end of FY96, all of the 160 Special Agents and intelligence experts being permanently relocated should be in place. During FY96, we are continuing to make the necessary physical improvements to our Southwest Border ports of entry, and our inspectors are being equipped with better tools to perform more intensive narcotics exams. Customs has **acquired** 4 additional truck x-ray systems; paid overtime for pre-primary operations; purchased 1,700 sets of body armor; funded integrity training; and purchased 126 additional vehicles and other equipment. In all, we will have committed \$55 million to improving drug interdiction operations on the Southwest Border by the end of FY96. This is a significant investment since Customs receives just a small fraction of the U.S. Government's total drug resources, while seizing more drugs than **all** other Federal agencies combined.

The implementation of all the various elements of HARD LINE II will bridge the period of time between the initial phase of the strategy and the FY97 phase known as HARD LINE III. HARD LINE III is the permanent hardening of the Southern Tier of the U.S.

#### **Funding**

The President's FY97 Budget request includes an additional \$65 million for HARD LINE III. The \$65 million will provide for 657 new positions for Customs inspectors, special agents, canine enforcement officers and investigative and support personnel on the Southwest Border, as well as for the acquisition of additional technology for non-intrusive inspection of trucks, portable computer terminals and improved security for seizure storage vaults.

In addition to the FY96 Budget request, the Administration submitted a \$250 million reprogramming request in April 1996 to intensify our nation's drug law enforcement, treatment and prevention efforts. Working under the guidance of Treasury, as well as ONDCP, Customs helped to formulate this package and I strongly urge the Congress to support this request.

We hope that the Members of this Subcommittee will support these important budget initiatives. The addition of the permanent positions on the Southwest Border, along with the implementation of the other HARD LINE elements, such as physical improvements to port facilities, acquisition of high technology devices, and Operation Gateway in Puerto Rico, will "Make A Difference" and

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force the narcotics traffickers to resort to more desperate, high-risk smuggling routes and methods.

#### CONCLUSION

In conclusion, Customs is doing a better job of interdicting narcotics on the Southwest Border as a result of Operation HARD LINE. Our ultimate objective is to develop an interlocking system of measures that *permanently* and *comprehensively* harden our ports of entry across the entire Southern Tier of the U.S. This means a regular review of HARD LINE's methods and results. Drug smugglers have a tremendous capacity for change and innovation, and Customs must be prepared to counter their moves quickly.

Operation HARD LINE builds on the narcotics interdiction programs implemented by Customs over the last two decades and supplements them with the new techniques and approaches outlined herein. Our efforts along the Southwest Border are further enhanced by the efforts of other agencies, such as Border Patrol's Operation "Gatekeeper" and "Hold the Line" initiatives.

As I stated in my letter to Customs employees on the first anniversary of Operation HARD LINE, no mission of the Customs Service is more important than effectively carrying out our drug interdiction responsibilities. In doing so, we must keep in mind that the underlying philosophy of HARD LINE means smart enforcement, not lucky enforcement. Customs, with help and support from all the Members of this Subcommittee, plans to make it a way of life.

Thank you again for this opportunity to appear before this Subcommittee. You have been very supportive of Customs in the past, and I look forward to a very productive future working with you.

I would be glad to take any questions you may have at this time.

Mr. MICA. Thank you, Commissioner Weise, for your testimony. We are going to withhold questions until we hear from Mr. Wankel. Mr. Wankel is the Chief of Operation for DEA. Mr. Wankel, you are recognized.

Mr. WANKEL. Mr. Chairman, I think I have a prepared record that has been submitted to your members.

Mr. MICA. Without objection, that will be part of the record. Thank you.

Mr. WANKEL. Thank you. Mr. Chairman, Congressman Hastert, and members of the subcommittee, I appreciate this opportunity to appear before you today to discuss narcotic control efforts in Mexico and along the Southwest border. The Drug Enforcement Administration is appreciative of the support that this subcommittee and the entire committee have provided us over the years, and we look forward to working with you in the coming months.

Since DEA last appeared before the subcommittee, there have been some improvements in our cooperative narcotics control efforts with countries in this hemisphere, particularly Mexico. Nevertheless, we still have major challenges that must be met before we can say that efforts aimed against the world's most powerful drug traffickers have been effective. The U.S. Government's effort against these criminals has been multi-faceted. I am here today to address our interdiction and law enforcement efforts.

There is no doubt that the crime that impacts communities across the United States is attributed both directly and indirectly to organizations such as the Cali Cartel and drug traffickers groups in Mexico. For over 30 years, many Americans have had a view of organized crime as a group of individuals involved in extortion, loan sharking, and gambling. Today, we are facing a new breed of international organized criminals with enormous power and influence.

Operation Zorro II, concluded in May, clearly documents the dominance of criminal groups from Colombia and Mexico in the United States drug trade. Their criminal handiwork that began in the board rooms in Cali ended in the housing projects in Richmond, VA. Zorro II is particularly important because, for the first time, we simultaneously dismantled the United States infrastructure of a Colombia organization producing and distributing the cocaine along with the organization from Mexico that provided the transportation.

Three days ago we marked the first anniversary of the beginning of the end of the Cali Cartel. On June 9, 1995, Gilberto Rodriguez Orejuela was arrested by the Colombian national police, setting off a chain reaction that culminated in the arrests of six of the seven top Cali Cartel leaders.

As we note this anniversary, we should assess where we are today in the international drug trade and what our prospects are for success in the long term as we work with other nations to eliminate major drug traffickers organizations. Through improved trust and cooperative efforts in Mexico, we can achieve similar successes against the criminal drug syndicates in Mexico, as we did in Colombia.

Despite the fact that the Cali leaders are in jail, cocaine production and transportation is unabated from the source countries.

Traffickers from Mexico are playing a greater role in cocaine trafficking in the United States and new, more violent groups in Colombia are vying for control of the cocaine empire once dominated by the Cali leaders.

During the late 1980's, due in large part to successful enforcement and interdiction operations in south Florida and the Caribbean, Cali traffickers turned to transportation groups in Mexico to smuggle multi-ton loads of cocaine into the United States. Early on, Cali traffickers paid the Mexican transportation groups \$1,000 to \$2,000 per kilogram for their services. But in the early 1990's, Mexican traffickers began receiving half of every shipment of cocaine they transported.

This had several immediate effects. It increased their profits almost 1,000 percent, required the expansion of their distribution networks, began competition with Colombian distribution cells in the United States, and launched these crime syndicates on the road to enormous fortunes.

Zorro II gave an insightful look at the success and sophistication of these new distribution cells controlled by the Mexican Federation. The Colombian and Mexican distribution organizations operated with a high level of sophistication. Both groups received their drugs from the same Mexican transportation group which was supplied by Cali traffickers. We estimate that approximately 70 percent of the cocaine available in the United States transits Mexico. It is also the principle source country for methamphetamine and the chemical precursors necessary for its production.

Within the last several years, methamphetamine has become a serious law enforcement and public health problem. Until recently, methamphetamine production and trafficking were primarily confined to the west coast and controlled by outlaw motorcycle gangs. Now, traffickers from Mexico have muscled their way into the methamphetamine trade and are rapidly spreading it across the United States.

Methamphetamine seizures along the United States-Mexico border rose from 6.5 kilograms in 1992 to 665 kilograms in 1995. Mexican trafficking groups are also involved in smuggling enormous amounts of ephedrine, a precursor ingredient in methamphetamine production, from Asia and Eastern Europe to Mexico.

Between June 1993 and December 1994, approximately 170 metric tons of ephedrine, enough to produce 119 metric tons of methamphetamine, was diverted to Mexico from the international commercial trade.

There are four major groups from Mexico operating under the umbrella of the Mexican Federation. The Tijuana Cartel, headed by the Arellano Felix brothers—Benjamin, Francisco and Ramon—controls smuggling across the border to California and is the most violent of the Mexican organizations.

The Sonora cartel, headed by Miguel Caro Quintero, has direct links to the Colombian mafia and operates routes into California, Arizona, Texas, and Nevada. Rafael, Miguel's brother, is in jail for the brutal murder of DEA Special Agent Enrique Camarena in 1985.

The Juarez Cartel is headed by Amado Carillo Fuentes, the most powerful figure in the Mexican drug trade. His organization is

linked to the Rodriguez Orejuela organization in Cali and he had family ties to the Ochoa brothers in Medellin, Colombia.

The gulf group was headed by Juan Garcia Abrego, who was arrested and expelled to the United States in January. This group is based in Matamoros and distributes cocaine as far north as Michigan, New Jersey and New York. We estimate that this group has smuggled over 30 tons of cocaine into our country.

Capturing these powerful drug traffickers and dismantling their organizations on both sides of the border are priorities of the Drug Enforcement Administration. To combat the growing threat from the Mexican Federation traffickers, DEA and the FBI, working with the Department of Justice Criminal Division and United States attorneys, United States Customs Service and the support of efforts by the Government of Mexico in their country, created a Southwest border initiative.

This strategy targets Mexican drug trafficking organizations on both sides of the United States-Mexico border by directly linking intelligence and enforcement operations in Mexico with those in the United States. The Southwest border initiative will direct and support major investigations that target the major drug trafficking organizations operating along the Southwest border.

Its objectives are to provide adequate funding and training to binational task forces in Tijuana, Juarez, and Monterrey and choke off the United States-Mexico land border, air routes and ports used for smuggling drugs into the United States, as well as illegal chemicals and traffic of profits being smuggled out of the United States.

Both President Zedillo and Attorney General Lozano are committed to fighting narcotics and eliminating major drug trafficking organizations. They are cognizant of the risk of illicit drug trafficking and organized crime. President Zedillo has said that narcotic trafficking is Mexico's leading national security threat and is moving aggressively to combat that threat.

Despite many obstacles, the Mexican Government is taking some important steps to address problems created by major drug trafficking organizations. The Mexican legislature has passed organized crime legislation authorizing a witness protection program, judicially approved electronic surveillance, undercover operations, conspiracy prosecutions, controls on the production of precursor chemicals, and an inter-agency financial and investigative unit.

The Mexican Government has recently criminalized money-laundering and asset seizure and forfeiture provisions of the organized crime legislation have been approved. United States money-laundering experts are consulting with their Mexican counterparts on ways to strengthen the Mexican legislation. The Mexican Government has also reformed provisions against the smuggling of precursor chemicals.

The Mexican Government's public security law, in effect since March, includes provisions to help professionalize Mexico's law enforcement by directing law enforcement agencies to conduct comprehensive background investigations, adopt a code of ethical behavior, and rotate personnel to help minimize corruption.

Corruption between the United States—I'm sorry, cooperation between the United States and the Government of Mexico is improv-

ing. The Government of Mexico has recently agreed to provide additional training, equipment, and financial support to the bi-lateral border task forces located in Tijuana, Ciudad Juarez, and Monterrey. These task forces, comprised of Mexican investigators, work with DEA and FBI agents, and soon Customs, to target major traffickers and organizations.

The Government of Mexico has also proposed establishing an additional task force in Mexico City to target methamphetamine and precursor chemicals.

It is imperative for the Government of Mexico to arrest and incarcerate all the major traffickers who are significant players in the global drug trade. While Mexico has made some important improvements in law and cooperative efforts, corruption and the enormous influence of the major traffickers continue.

In recent months, three top former law enforcement officials from Tijuana have been assassinated. These killings are indicative of the impunity with which the Mexican crime syndicates feel they can operate and is consistent with the intimidation and narco-terrorist methods of the Cali and Medellin mafias.

We are encouraged that the Government of Mexico is working to professionalize their law enforcement organizations, a critical prerequisite for taking effective actions against the major traffickers and organizations. This professionalization is already paying dividends. Two weeks ago, a Mexican military unit recovered a major portion of a shipment of cocaine that had been stolen by a corrupt agent of the Mexican NICD, the National Institute for Combating Drugs.

We must focus the same energy that was aimed at Colombia on Mexico. If we continue to work together, there is no reason why we cannot capture the leaders of the Mexican mafia. DEA is committed to working closely with officials on Latin America, as well as Mexico, to incarcerate those responsible for the spread of cocaine throughout the United States.

Again, I thank you for the opportunity to appear before you today, and I will be happy to answer any questions.

[The prepared statement of Mr. Wankel follows:]

Testimony before the  
House Subcommittee on National Security,  
International Affairs and Criminal Justice  
Harold D. Wankel, Chief of Operations  
Drug Enforcement Administration  
June 12, 1996

## **Introduction**

Mr. Chairman and Members of the Subcommittee:  
I appreciate this opportunity to appear before you today to discuss narcotics control efforts in Mexico and along the Southwest border. The Drug Enforcement Administration is appreciative of the support that the subcommittee and the entire Committee have provided us over the years, and we look forward to working with you in the coming months.

Since DEA last appeared before the Subcommittee, there have been some improvements in our cooperative narcotics control efforts with countries in this hemisphere, notably Mexico. However, some major challenges still need to be met before we can confidently say that efforts aimed against the world's most powerful drug traffickers have been effective. The U.S. Government's effort against these criminals has been multifaceted. I am here today to address our interdiction and law enforcement efforts.

Today's well financed and sophisticated international narcotics traffickers are among the organized crime figures of the 1990's. For over thirty years, many Americans have had a view of organized crime as a group of individuals involved in extortion, loan sharking and gambling. Today, we are facing a new breed of international organized criminals with enormous power and influence.

Some of these groups are operating out of Colombia and Mexico, and their leaders control the vast majority of drug trafficking within the United States. There is no doubt that the crime that impacts communities across the United States is attributable directly and indirectly to organizations such as the Cali cartel, and the groups within the Mexican Federation—the Sonora cartel, the Tijuana cartel, the Gulf Coast cartel and the Juarez cartel.

The relationship of the foreign drug organizations with crime in our communities was clearly demonstrated in May of this year when arrests, made as a result of Operation Zorro II, clearly documented the domination of drug trafficking in America by the groups in both Colombia and Mexico. The handiwork that began in the boardrooms in Cali ended in the housing projects in Richmond Va. These organizations employed hundreds of Colombians, Mexicans, Americans and others to transport and distribute their poison throughout our

country. This case is historic because it documents the dominance of the groups of the cocaine trade in the United States. Zorro II also demonstrated that through the joint efforts of the U.S. Attorneys, Criminal Division, DEA, FBI , other Federal, state and local law enforcement agencies we can successfully attack the command and control functions of the drug organizations. More importantly this strategy coupled with continued cooperation with foreign law enforcement officials allows us to be successful all along the seamless continuum of the drug trade, effectively dismantling the entire network from Cali and Sonora to Rocky Mount, North Carolina.

Zorro II is particularly important because for the first time we simultaneously dismantled the U.S. infrastructure of a Colombian organization producing and distributing the cocaine, but also that of the organization from Mexico that provided the transportation. During the course of this 8-month investigation, law enforcement officers and prosecutors coordinated and shared information gleaned from more than 90 court-authorized wiretaps. The operation involved 10 Federal agencies, 42 state and local agencies across the country, and 10 U.S. Attorneys' offices. As a result of the operation, we seized over \$17 million and almost 5,600 kilos of cocaine, and arrested 156 people.

As we learned from experience, organized crime cannot flourish without the corruption of individuals and institutions. Organized crime leaders, wherever they operate, are masterful at bribing and intimidating government and law enforcement officials to turn a blind eye towards their activities. Corruption and drug trafficking are synergistic, and all nations, including the United States, must be mindful of the connection between these two plagues.

Three days ago we marked the first anniversary of the beginning of the end of the Cali cartel. On June 9, 1995, Gilberto Rodriguez Orejuela was arrested by the Colombian National Police, setting off a chain reaction which culminated in the arrests of six of the seven top Cali cartel leaders in the last year. As we note this anniversary, we should assess where we are today in the international drug trade, and what our prospects are for success in the long term, as we work with other nations to eliminate major drug trafficking organizations. Through improved trust and cooperative efforts in Mexico we can achieve similar successes against the criminal drug syndicates in Mexico as we did in Colombia. The DEA, Department of Justice, FBI, and U.S. Customs Service continue to work closely with officials in foreign countries to target the highest levels of the international drug trade in Colombia, Mexico and other countries where drugs are produced and transported.

Despite the fact that most of the Cali leaders are in jail, the cocaine trade continues and there are indications in reaction to our efforts and foreign efforts that cocaine base production and transportation is unabated from the source countries of Peru and Bolivia. However, we have received indications that in reaction to our enforcement efforts and foreign efforts in these source countries have forced traffickers to seek alternate routes and methods of transportation for cocaine base to Colombia. In the last year traffickers from Mexico have taken a greater role in cocaine trafficking in the United States and now more violent groups are emerging in Colombia vying for control of the cocaine empire, once totally dominated by the Cali leaders.

Among the growing sophistication of the trafficking groups from Mexico, the remnants of the Cali cartel, and the violent groups emerging in Colombia, cocaine production, transportation and trafficking are still flourishing.

## **On to Mexico**

Organized criminal drug syndicates in Mexico are versatile and well-established, having been engaged in drug trafficking for the past thirty years. During the late 1980's, Cali traffickers turned to transportation groups in Mexico to assist them in smuggling their multi-ton loads of cocaine into the United States. This change in modus operandi was due in large part to

successful enforcement and interdiction operations in south Florida and the Caribbean. Smuggling groups in Mexico were a natural choice for the Cali leaders since they had been smuggling heroin and marijuana across the 2,000 mile southwest border since the late 1960's. Early on, Cali traffickers paid the Mexican transportation groups \$1,000 to \$2,000 per kilogram for their services. They would receive cocaine in Mexico from a Colombian transportation group, smuggle it into the United States and turn it over to a Colombian distribution cell. In the early 1990's we began to see evidence that the Cali infrastructure paid the Mexicans for their services in cocaine. The Mexican traffickers began receiving half of every shipment of cocaine they transported. This had several immediate effects: first, it increased their profits by approximately 1,000% and necessitated the expansion of their own distribution networks and commenced competition with Colombian distribution cells in the United States. More significantly it launched these already formidable crime syndicates on the road to enormous fortunes.

As I previously mentioned Zorro II gave an insightful look at the success and sophistication of these new distribution cells controlled by the members of the Mexican Federation. What we saw were parallel Colombian and Mexican distribution organizations operating with equal sophistication, controlling wholesale distribution of cocaine in a wide variety of locations throughout the United States. Both groups received their

cocaine from the same Mexican transportation group who were supplied by Cali traffickers.

In order to appreciate the magnitude of Mexico's importance in the international drug trade, it is estimated that approximately 70% of the cocaine available in the United States transits Mexico. Mexico is now a principal source country for methamphetamine and the chemical precursors necessary for its production. Traffickers are heavily involved in methamphetamine production and trafficking, the devastating effects of which are spreading across our country. Methamphetamine is a very potent and toxic drug. The common thread that runs throughout the methamphetamine trade is violence. From binge users to manufacturers to wholesale and retail distributors, violence is attendant to the presence of methamphetamine.

Methamphetamine has become a serious law enforcement and public health problem, especially within the last two or three years. Methamphetamine production and trafficking were mostly confined to the West Coast where outlaw motorcycle gangs were responsible for the bulk of the methamphetamine available in the United States. Traffickers from Mexico have now "muscled" their way into the trade, in some cases obtaining the necessary chemicals from Asia and Europe, and manufacturing the product from and controlling distribution, again maximizing their profits.

Methamphetamine seizures along the U.S./Mexico border rose from 6.5 kilograms in 1992 to 665 kilograms in 1995. There is an enormous amount of ephedrine, a precursor ingredient in methamphetamine production, being shipped from Asia and East Europe to Mexico. In an eighteen month period between June, 1993 and December, 1994, approximately 170 metric tons of ephedrine was diverted from the international commercial trade to Mexico. This amount of ephedrine is capable of having produced an estimated 119 metric tons of methamphetamine.

The impact of methamphetamine trafficking and use has been devastating to many cities and rural counties in the United States in areas as diverse as Iowa, Georgia and Florida. Deaths from methamphetamine have risen dramatically.

The production of methamphetamine creates a grave threat to the public safety, health and the environment. Many of the labs are often operated by individuals who have direct links to organizations based in Mexico, and these labs pose a hazard to both law enforcement officers investigating them, and also to residents and communities surrounding the labs.

## **The Mexican Federation**

There are four major groups from Mexico operating under the umbrella of the Mexican Federation, an organized crime group which operates in many parts of Mexico.

The Tijuana Organization is headed by the Arellano Felix brothers: Benjamin, Francisco and Ramon. It is headquartered in Tijuana, Baja California Norte.

This group controls smuggling across the border to California, is arguably the most violent of the Mexican organizations and has been connected by Mexican officials to the killing of Cardinal Juan Jesus Posadas-Ocampo at the Guadalajara Airport in 1993. During 1994, this group was engaged in a turf battle over methamphetamine territory in San Diego. Twenty-six homicides were committed during one summer as rival groups battled over trafficking regions.

Benjamin Arellano Felix was indicted on May 2, 1989 in San Diego on charges of maintaining a continuing criminal enterprise which involved the importation and distribution of cocaine. Francisco Rafael Arellano Felix, his brother, was indicted in San Diego in 1980, for possession with intent to distribute and conspiracy to distribute cocaine.

The Sonora Cartel is headed by Miguel Caro Quintero, and operates out of Hermosillo, Agua Prieta, Guadalajara and Culican, as well as the Mexican states of San Luis Potosi, Sinaloa, and Sonora. Rafael, Miguel's brother, is in jail in Mexico for his role in the killing of DEA Special Agent Enrique Camarena in 1985. The Sonora Cartel has direct links to the Colombian syndicates and operates routes into California, Arizona, Texas and Nevada. Miguel Caro Quintero was indicted in Arizona for shipping two tons of cocaine from Mexico to Arizona, and he has been indicted twice in Colorado. He continues to be a fugitive.

The Juarez cartel is headed by Amado Carillo Fuentes, currently the most powerful figure in the Mexican drug trade. His organization is linked to the Rodriguez Orejeula organization in Cali, and has family ties also to the Ochoa brothers in Medellin, Colombia. For many years this organization ran transportation services for the Cali cartel and used aircraft including 727's to fly drugs from Colombia to Mexico. He also used to move drugs from regional bases in Guadalajara, Hermosillo and Tlaxiaco. Carillo Fuentes has been indicted in Dallas and Miami, and has been a fugitive for eight years.

The Gulf Group was headed by Juan Garcia Abrego and is based in Matamoros, Tamaulipas State. It distributes cocaine in the United States as far north as Michigan, New Jersey and

New York. DEA has reports that this organization smuggled in excess of 30 tons of cocaine into the United States. Humberto Garcia Abrego, Juan's brother, was arrested in October, 1994 by Mexican authorities. Juan Garcia Abrego, one of the FBI's Ten Most Wanted, was arrested in Mexico on January 14, 1996. After his arrest, Mexican authorities expelled Garcia Abrego to the United States to face charges in Houston of conspiracy to import cocaine and the management of a continuing criminal enterprise.

The capture of these powerful drug traffickers, and the dismantling of their organizations operating on both sides of the border are priorities of the Drug Enforcement Administration.

### **Southwest Border Project**

During the past thirty years, the U.S.-Mexican border has become the "soft underbelly" for smuggling into the United States. Well-established Mexican criminal organizations developed sophisticated networks that realized significant smuggling successes, particularly over the past two to three years. To combat this growing threat from the Mexican Federation traffickers, the DEA and FBI working with the Department of Justice Criminal Division and U.S. Attorneys, the U.S. Customs Service, and in support of efforts by the Government of Mexico in their country, formulated the Southwest Border Initiative (SWBI). This strategy was

designed to bring the combined resources of the Department of Justice to bear in a multi-agency enforcement effort simultaneously targeting the Mexican drug trafficking organizations on both sides of the U.S.-Mexico border by creating and sustaining a greatly enhanced operation that involves intelligence and enforcement operations in Mexico that are directly linked to those in the U.S. The SWBI will direct and support major investigations and operations that target the highest levels of the major drug trafficking organizations operating along the Southwest border.

This joint investigative enforcement and prosecutive initiative combines the resources of the DEA, FBI, U.S. Attorneys Office and U.S. Customs Service in the field with the intelligence collection capability of a joint team housed in DEA's Special Operations Division in Washington working with the Department of Justice Criminal Division.

Within DEA and the FBI, cooperation in the border area has increased dramatically in the past eighteen months. For example, joint enforcement groups have been created in a number of cities in Texas, and intelligence groups that include DEA, FBI and military analysts have been established.

The objectives of the Southwest Border Initiative include :

- Adequately fund and train Bi-National Task Forces in Tijuana, Juarez and Monterrey.
  
- Choke-off the U.S./Mexico land border, air routes, and ports as conduits for smuggling drugs into the U.S., and illicit chemicals and trafficker profits out of the United States.

The Southwest Border Initiative, through the implementation of this strategy, helps reduce corruption, violence, and alien smuggling associated with the Mexican drug trafficking organizations operating along the border. This federal/state/local project along with the binational task forces and specially trained Mexican law enforcement units will provide a solid base from which to act against drug trafficking organizations along the border and disrupt supply of their illicit products to cities and towns in the United States. It will contribute to the insidious influence of these criminal organizations on Mexican society as well.

## **Cooperation with the Government of Mexico**

Both President Zedillo and Attorney General Lozano are committed to fighting narcotics and eliminating major drug trafficking organizations. They are cognizant of the risk of illicit drug trafficking and organized crime. President Zeillo has said that narcotics trafficking is Mexico's leading national security threat and he is moving aggressively to combat that threat.

There are many obstacles facing the Mexican President and the Attorney General in their efforts, but despite these, some important steps are being taken by the Mexican Government to address problems created by major drug trafficking organizations.

President Zedillo pledged in his State of the Union address that Mexico would pass comprehensive organized crime legislation. The Mexican legislature has passed, subject to the approval of the Mexican States, organized crime legislation authorizing, for the first time, a witness protection program, judicially-approved electronic surveillance, undercover operations, conspiracy prosecutions, controls on the production of precursor chemicals and an interagency financial investigative unit, as well as providing for asset seizure and

forfeiture for the proceeds of crimes covered by the Organized Crime Bill.

The Mexican Government has recently criminalized money laundering under the penal code. This new money laundering penal provision which has been in effect since May 14, 1996, provides for prison sentences for violation of its terms, as well as a 50% enhanced sentence when the violator is a government official in charge of the prevention, prosecution, or investigation of money laundering offenses. In addition, the public official likewise is barred from public office for a period equal to the sentence. U.S. money laundering experts are consulting with their Mexican counterparts on ways to strengthen the Mexican legislation by adding mandatory and suspicious transactions, as well as outbound currency.

Additionally, asset seizure and forfeiture provisions of the Organized Crime legislation have been approved by the Mexican Congress. These provisions cover the forfeiture of assets if it is determined that they were amassed as a result of organized crime or criminal activity. The Mexican Government has also reformed the Penal Code to modernize provisions against the smuggling of precursor chemicals.

Additionally, in March, 1996, the Mexican Government's Public Security Law became effective. This law helps Mexico professionalize law enforcement throughout the country, and

includes provisions which direct law enforcement agencies to conduct comprehensive background investigations, adopt a code of ethical behavior and rotate personnel to help minimize corruption.

Cooperation between the United States and the Government of Mexico has improved greatly. In May of this year DEA Administrator Constantine attended the Bi-National Commission meeting in Mexico City. As a result of the meetings held that week, the Government of Mexico has recently committed to providing additional training, equipment and financial support to the Bilateral Border Task Forces located in Tijuana, Ciudad Juarez, and Monterrey. These Task Forces, comprised of Mexican investigators working jointly with DEA and FBI agents, are targeting specific major traffickers and their organizations. The Government of Mexico has proposed establishing an additional Task Force in Mexico City to target methamphetamine and precursor chemical movement throughout the country.

It is imperative for the Government of Mexico to arrest, prosecute and incarcerate all the major traffickers who are significant players in the global drug trade. While the Government of Mexico has made some important improvements in their legal and penal codes, and has worked more cooperatively with the United States in recent months, some endemic problems, such as corruption and the enormous

influence of the major traffickers, continue. These killings are indicative of the impunity with which the Mexican crime syndicates feel they can operate and consistent with the intimidation and narco-terrorist methods of the Cali and Medellin cartels.

We are encouraged that the Government of Mexico is working to professionalize their law enforcement organizations, a critical prerequisite for taking effective actions against the major traffickers and their organizations. This professionalization is already paying dividends. Just two weeks ago Mexican military unit on their own initiative recovered a major portion of a shipment of cocaine that had been stolen by a corrupt Mexican INCD (National Institute for Combatting Drugs) agent. Five individuals had been tortured and murdered in the Colombian traffickers' attempt to recover the stolen cocaine prior to the military's arrest of seven individuals and recovery of the cocaine.

## **Conclusion**

We must focus that same energy on narcotics traffickers in Mexico that we have in the past focussed on the Colombian cartels. Through the efforts of the High-Level Contact Group led by General McCaffrey, Attorney General Reno and

including Deputy Attorney General Gorelick, we have begun further to enhance our level of cooperation with Mexico. There is no reason that together we cannot accomplish the capture and successful prosecution of the leaders of the Mexican drug trafficking organizations. DEA is committed to working closely with officials of source countries as well as those in transit countries such as Mexico to investigate, prosecute and incarcerate those responsible for the spread of their poison throughout the United States as well as the dismantling of their distribution organizations in the U.S. Again, I would like to thank you for the opportunity to appear before you today, and I will be happy to answer any questions that you might have.

Mr. MICA. Thank you, Mr. Wankel and also Commissioner Weise. I do salute both of you for your commitment to the war on drugs and also in face of you, Commissioner, having your budget cut in this area and you, Mr. Wankel, having your budget basically frozen over the past 3 years.

I would like to first yield to Mr. Hastert. Mr. Hastert has been designated by the leadership and as part of the leadership to help coordinate some of the reconstruction of the destruction of our interdiction and other drug programs and serves so ably on this committee. But I think it is important that I yield to him first and give him the opportunity to question you since he will be coordinating some of these efforts on behalf of the Speaker and leadership.

You are recognized.

Mr. HASTERT. I thank the gentleman from Florida. Mr. Weise, you said that you have seen a bigger activity in port runners. These are, what, high speed boats that go out to mother ships?

Mr. WEISE. No, port running is actually overland. What happens at the Southwest border, the land ports, a vehicle will drive to the primary inspection booth, where the inspector there, as he normally does, and says, "Sir, would you step out of your vehicle and open your trunk?" Instead of doing that, they hit the accelerator at high speeds, more often than not they are armed, have used their weapons. Basically, they are high speed vehicles careening through the ports of entry to avoid being arrested and stopped. We had almost 800 instances of that.

Mr. HASTERT. Eight hundred?

Mr. WEISE. Eight hundred.

Mr. HASTERT. How many of those have been apprehended, were apprehended at the point?

Mr. WEISE. I would say in the year that we had 800, probably just a little over half. One of the problems you have is that a lot of the State and local law enforcement have a no-chase policy because of the risk that it may entail to local citizenry.

So if we weren't able to contain the individual in the port of entry, once it got out into the streets, often in many of these ports of entry there is an expressway almost adjacent that is just a matter of less than a half a mile and they are on the expressway and gone. We try to work with State and local enforcement to help us. But we have, as I said, in the first year of Hard Line reduced that by 52 percent.

Mr. HASTERT. One of the things that we see around this Capitol is almost a very effective way not to get in unless you are allowed to go in with the gates or the moving. Is that something that you are thinking about?

Mr. WEISE. Yes; as a matter of fact, we have been experimenting with it in El Paso, TX. Unfortunately, we are still working with the contractor. We have, unfortunately, impaled a few vehicles inadvertently.

Mr. HASTERT. The Architect of the Capitol was the first one to be impaled.

Mr. WEISE. But we are working on that technology and we hope to put it across the entire Southwest border.

Mr. HASTERT. Let me ask you a question. It said in previous testimony here that 70 percent of the narcotic trade coming into Mex-

ico to be moved into the United States, especially cocaine, is coming by sea. What have you been able to do to step up that activity or being able to apprehend that or intercept it?

Mr. WEISE. Well, as I said, we had heard that and, frankly, we are not going to dispute the number 70 percent. Suffice it to say, there is a significant quantity of drugs crossing that Southwest border. And that is one of the reasons that a year ago we implemented Operation Hard Line. And as I indicated in my testimony, in virtually every category our seizures have gone up.

The outcomes of our seizures are going up. As I tried to explain in the testimony, there is 2,000 miles of border. There are only 38 ports of entry where we have uniformed Customs officers where you actually stand in line to be examined.

What we found is in addition to the seizures going up in the U.S. Customs Service under Operation Hard Line is that the Border Patrol, which has primary responsibility for the vast expanse between the ports of entry, that their seizures of cocaine went up by 50 percent in that first year of Operation Hard Line.

And what we now are seeing is not only a shifting of methodology away from the trunks of vehicles with the port running we have talked about, but more into commercial conveyances, into the large trucks. I gave several examples of seizures we have had there. We have had 44 seizures in large trucks already this year, many more than we have ever had.

Mr. HASTERT. And that is in the tons sometimes, right?

Mr. WEISE. Well, it's in 2,000 to 3,000 pound quantities. It is very large. But the other thing that you allude to, absolutely. As we are clamping down, we are seeing more attempts to use the sea routes going around the border.

We are also seeing a tremendous increase in both Miami and Puerto Rico. Miami has always been frustrating. When we have used that 70 percent figure, they said it never left here. We certainly had reduced them, but we have always had a lot of seizures in Miami. But our seizures have more than doubled in south Florida in the course of the last year and the seizures in Puerto Rico where we implemented Operation Gateway.

Mr. HASTERT. I was in Puerto Rico Monday. Mr. Mica and I had a hearing there. And, of course, the frustration is there also where they think about 26 percent of the cocaine and other narcotics that move into the United States get into Puerto Rico.

Mr. WEISE. But if you add 70 and 26 and you say there is only 4 for the rest of the United States, I think south Florida would feel that we didn't appropriately account for the volume that was seized there as well. So these numbers are imprecise and I don't think that is the real point as to exactly what the percentages are.

But suffice it to say that the key areas are the Southwest border, south Florida, and Puerto Rico, where our battle lines are right now.

Mr. HASTERT. Let me ask you a question, and do give me the best answer you can because it is kind of pointed. Your testimony, just the amount of money that is coming through and that the narco traffickers have at their disposal—I mean, literally billions of dollars—and their ability to really corrupt government officials not only in Mexico but in Colombia and Peru and other places, how

do you protect against that happening? Do you have a vetting process and how do you make sure that your agents there are completely loyal?

Mr. WEISE. And you are referring to potential corruption on our side of the border?

Mr. HASTERT. Yes.

Mr. WEISE. Well, this is an issue that concerns us greatly. I think we are very vigilant about it, not only in terms of having an outstanding internal affairs operation that investigates any allegations but, more importantly, going to the actual operations.

What we attempt to do is make it virtually impossible for a single Customs officer to be able to ever make a judgment as to whether a load comes in or not. We do that through a number of methods, including as the lines are forming across the border we have pre-primary inspections where we send out teams of rovers, not an individual, who are examining the cars with their K-9, you know, looking for the scent of drugs.

We also rotate our officers in the various booths on a very infrequent but regular basis so that you can't with a great deal of predictability think that if I come through line three at 2 o'clock I know what inspector will be there.

We do post-primary blitzes, where even after you have cleared primary, we will just take periods during the day and just say, OK, the next 40 vehicles. We are lining them up and we are going to give them, with another 15 or 20 people, intense scrutiny.

So we try, through our methodologies, to minimize the potential for corruption leading to smuggling incidents.

Mr. HASTERT. Let me ask all of you—I know my time is dwindling here, but with permission of the chairman and we have nobody on the other side is seeking time at this time, and I have a meeting in 15 minutes with the Speaker to try to coordinate some of these fundings as we move through this appropriation process.

If, as I almost quote the same question I asked in Puerto Rico the other day, if this was the month before Christmas and you had any wish you wanted to, in a sense it is a couple weeks before appropriations move through, so it is the month before Christmas.

Both Mr. Wankel and Mr. Weise, what would be your priorities? What do you need to fight the fight?

Mr. WEISE. If I could, there would be three points that I would ask, and two of them are already pending and the other has been addressed but perhaps and it's not a congressional issue. One is the \$65 million that is in the President's request to take Operation Hard Line to the next facet. That would add 657 additional positions to our work force.

And we have been able to accomplish the results that I have talked about basically with the same number of people we have had in the past. We have changed methods, we have made technology, we have made some infrastructure changes, but that would be tremendously helpful.

Mr. HASTERT. Those people would be used along the border?

Mr. WEISE. Primarily along the border but also in south Florida and Puerto Rico. What we are saying is that we want a southern tier strategy from San Diego to San Juan and we would use them all across there.

Mr. HASTERT. What would that equivocate in numbers?

Mr. WEISE. There would be 657 people that we would be able to add.

Mr. HASTERT. About what appropriation?

Mr. WEISE. It's \$65 million.

Mr. HASTERT. That's the \$65 million?

Mr. WEISE. Yes; it is.

Mr. HASTERT. All right.

Mr. WEISE. Second, there was a request for a reprogramming of, I believe it was \$200 million, \$98 million of which would have benefitted the Customs Service. I mentioned this in my testimony. There would be two additional P-3 AEW aircraft which have the dome and the radar which would be tremendously helpful to us, as well as two more x-ray machines because one of the problems we have with the sheer volume of the number of trucks that cross that border.

We have a prototype in Otay Mesa, CA, where an x-ray machine that you can actually drive a full container through. It looks much like you would drive a car through a car wash. That is a tremendous potential improvement in the way we can do our narcotics investigations of trucks without impeding legitimate travelers to too great an extent.

Mr. HASTERT. Have we had successes with that so far?

Mr. WEISE. We have had some very good success. Now, one of the limitations is it's primarily good at detecting cavities in the conveyance itself. If you have drugs that are mingled in with the cargo which are in the container, it isn't a strong enough x ray to detect that. But we also use other methodologies, the K-9's and what we call busters. But it does do a very good job of finding these compartments which I alluded to here.

Mr. HASTERT. Are there new technologies that take, for instance, air samples or whatever is emitting from these drugs?

Mr. WEISE. We are looking at a number of different technologies and, unfortunately, none of them are quite ready in terms of cost-effectiveness yet where we could afford to get them in place. But we are always examining new technologies.

The third point in terms of budget isn't a direct request to the Congress, but we have the National Guard working side by side with our Customs inspectors, and they are a tremendous force multiplier. And they have both in Florida, Puerto Rico, and along that Southwest border, we have made requests to the Department of Defense and they are going to be getting us 190 additional National Guardsmen. We have requested another 170 on top of that. The more National Guard people we can put to constructive use along that border, the more returns that we can provide to the American people.

Mr. HASTERT. Thank you very much. Mr. Wankel.

Mr. WANKEL. Along those lines, Mr. Congressman, now that we have had the passing of the organized crime laws in Mexico and soon to be, I hope, the ratification of the necessary constitutional changes, we see a need for, first of all, we now have the potential for, I think, very much enhanced partnerships with our Mexican colleagues down there.

We see new bilateral joint investigation task forces being started. We need resources to help get those equipped and set up. We need tech equipment, we need money for ops and intelligence. We will have to bear some brunt, I suppose, in some fashion with the Government of Mexico for resourcing and institutionalizing the narcotics police there.

We will have to be involved with Justice and others on the training necessary to help with the laws, both for the police and for the prosecutors, and perhaps even judges. We now are moving into, as you are aware of, into especially cleared or vetted groups that allow for much closer cooperative efforts between us and Mexico. We will need some funding for that.

We believe that we also need to do, and we are doing or looking at doing, the same thing with Colombia, with Peru, with Bolivia, so that we can do what is necessary.

And, finally, I would think we will need money for enhanced operational activities and intelligence-gathering activities to help us with this effort.

Mr. HASTERT. What kind of dollars are you talking about over and above?

Mr. WANKEL. Well, at the risk of getting myself in trouble here, I would say that for all of this we are probably talking, for everything I have mentioned here in Mexico and Colombia, the special units and ops and intelligence, probably somewhere from \$40 to \$50 million.

Mr. HASTERT. And that is over and above what you have now?

Mr. WANKEL. I think so, yes.

Mr. HASTERT. All right. Let me just say, first of all, Mr. Mica was with us on our trip down to Mexico, Panama, Bolivia, Colombia, and Peru. Your people are doing a very, very good job, especially in a very difficult situation down in the jungle and we have a great deal of admiration.

Let me ask you a question. In Colombia we have had reports that your people are not being used to the maximum because they are not being let out of the Embassy. Is that something that is a real issue or not?

Mr. WANKEL. Well, I think that, no, my sense just straight up is no, it's not a real issue because what has to be balanced on this are all of the difficulties, the complexity, the bilateral relationship, the things that the Ambassador has to focus on and has to be solemn and so to speak in making determination and decisions about when you can go, what you can do, and counter-balance that with everything else that is working.

There are more things that we would like to do. I think eventually there will be more things that we can do. But right now as we get through this period of time that we are enmeshed in there and in our relationship with the Government of Colombia, I think that we are doing what we can do.

I mean, when one looks and sees what is going on right now, I mean, we are still seeing the effects of some of the things that took place a year ago. We see right now the fighting ongoing between the north valley traffickers and the Cali traffickers for control and all this. There are a lot of dangerous situations and one has to

move very carefully and with well-thought-out movements on whatever we do down there.

Mr. HASTERT. So much of this depends on the intelligence that you can gather. And, of course, your agency is part of that intelligence-gathering.

Mr. WANKEL. Yes.

Mr. HASTERT. Do you feel that you have the resources to do that? Is there any material things that you need in addition to what you have? I mean, personnel is really the key.

Mr. WANKEL. From our perspective, I think maybe a few additional personnel in the form of intelligence research specialists, but mostly a little bit of money factored into that figure I gave you necessary to conduct human intelligence operations. That is where we get the vast majority of the information and the intelligence that leads to enforcement activity, whether it's in Colombia or somewhere else down the pipeline is through assets, human assets, and the ability to run those assets. That takes money.

We probably are hamstrung—or not hamstrung, but we are a bit limited in how far we can go with that with our modest budget for that.

Mr. HASTERT. If that money was provided, could you assure us that money would be used for those purposes?

Mr. WANKEL. Oh, absolutely, absolutely. One thing we would look at doing right away that has come up in this hearing today, is we realize, as does Customs, that there is an intelligence gap vis-a-vis cargo shipments and maritime shipments as well.

We are in the process of revitalizing a program called Winter Night where DEA and Customs works together with HUMINT for directors, people that work in these arenas, to shore up that effort and do better. So we add money into that, that obviously helps us. But that is basically what we are talking about.

Mr. HASTERT. Thank you very much. Thank you, Mr. Chairman.

Mr. MICA. I thank the gentleman. I also want to reiterate his comments, particularly the case of a DEA that the tremendous job your agents do. We had the good fortune of traveling with your colleague, Craig Chretien, and he is in disguise in the audience now. You won't recognize him.

But he, all kidding aside, was invaluable to our subcommittee when we took really, I think, the first codel in a number of years to the source countries—Colombia, Peru, Bolivia, Panama, and also Mexico. And it was a great education for members of this panel who are new to the subject.

I go back to my efforts as a staffer on the Senate side and overseeing some of the drug policy instituted by the Reagan administration and also by the Senate and Congress at that time. But we were just as pleased as could be to see the commitment your folks have made, some of them serving in the jungle in tough conditions and literally putting things together with bailing wire and coat hangers because of some of the budget constraints.

And, also, we saw the need for increased presence in Customs in some of those source countries and what they can do also in training and sophistication of some of the efforts there so we stop some of these things at the source.

You heard me get a little bit hot under the collar about the contents of what has been to you over the past 3 years, and I can assure you from this side of the aisle that you will get every resource you need to be as effective as possible and also to get us back to some level of competency in the interdiction and enforcement areas.

I do have a couple of questions. First of all, the area of Customs that I just mentioned in these source countries, do you see additional need for resources or commitment to assisting folks—again, I take the source countries of Bolivia, Peru, Colombia, as we know, is a difficult situation, Mexico. What do we need to do there to upgrade and assist these countries in their efforts?

Mr. WEISE. Well, most of the work is primarily the responsibility of DEA. The Customs Service, as you saw on your trip, is in the arena primarily with our air program supporting the SOUTHCOM mission. We have two P-3 AEW aircraft and two P-3 SLICKS and, I believe, six citations where we are working very closely with DEA and other Federal law enforcement, the U.S. Government and the host countries to try to do the best we can in terms of detection.

Mr. MICA. You have had some programs, haven't you, and training?

Mr. WEISE. Yes; we do some training programs.

Mr. MICA. Are they adequate? Do we have enough presence? It didn't seem like Customs had much of a presence again in these source countries on the training. Is there enough?

Mr. WEISE. I think that we could perhaps do some more training, but I think we have been very effective in some of the training that we have done. We generally work through the State Department on that and the funding usually comes through the State Department and we provide the expertise. So that has been a good working relationship for us.

I think the most important thing that we can do is the one that Mr. Wankel referred to as Operation Winter Night where the main problem that we are having in Customs is the sheer volume of containers that are coming into the country with the risk, particularly from source countries—Mexico, Colombia, and others that you mentioned—of trying to make sure that we are doing everything possible to insure that they are not smuggling drugs in those containers.

And in working with this initiative, we are going to have DEA people and Customs people working side by side to really try to improve the intelligence gathering so that we can provide the best intelligence we can to our inspectors to say, look, if you can only examine  $x$  percent, here are some of the ones that we think are certainly high risk and you ought to really get in there and get those containers opened.

Mr. MICA. One of the other things though that is cost-effective is training some of these folks because we can't cover every base. We can't be in every country. But I think if you look at how we could enhance some of our training programs, at least to these places that can assist us so we can stretch our dollar a little bit further. We would appreciate your attention to looking at that and also let us know what resources you need to complete that.

Mr. WEISE. Sir, if I could just add too, we have tried to be as resourceful as we can in these tight budgets to find the best way to

get the job done. And one of the things that we have been fairly successful in is working with the business community, the legitimate business community, who has an interest in not being used as a smuggling mechanism.

We did something in Colombia, for example, where we were seeing an awful lot of cocaine smuggled into south Florida in fresh cut flowers and we were seeing daily shipments of this and we were finding a very high percentage of the times we were holding up these shipments to the point where the legitimate shippers were having the flowers go bad before they got to the retailers.

Mr. MICA. I remember something about that.

Mr. WEISE. So we introduced what is called a carrier initiative and asked the companies to take on more of the responsibility. And we worked very closely with them to put programs in place where they x ray a lot of the flowers before they actually get packaged and go onto the ship. They do criminal background investigation of the employees, and we do some work in checking with them on a periodic basis.

We found, in the early going, a tremendous increase of tips from them where seizures were targeted went up and now we are finding very few experiences of smuggling in cut flowers. So that industry was able to get the drug smugglers out of their business, and we are going to try to expand that to other industries and other businesses to take on more of that responsibility as well.

Mr. MICA. One of the other areas too, and you spoke to it, is technology. And you said you are pursuing several avenues. I hope you can let us know if you need additional resources in these areas. In today's high tech world, it seems like there ought to be some solutions. So if you would also confer with our subcommittee staff and if there are any initiatives that should be pursued and could be cost-effective.

Do you know of anything? Do you think you are adequate as far as your request in those areas?

Mr. WEISE. Right now, I think it's not so much having the dollars necessary to make the investment, but having the research and technology to the point where we know that we've got the right technology to invest in. And we will work very closely with you.

Mr. MICA. And do you have programs that assist the private sector in that regard?

Mr. WEISE. We do. And we work with the Department of Defense, which does an awful lot of research in technology. We work with them.

Mr. MICA. Then you have adequate resources?

Mr. WEISE. The one technology that we found is a step in the right direction is the cargo x ray that I referred to earlier. We would like to purchase—we have only one now. We have made the purchase of two additional x rays. We would like to have 12 of those along the Southwest border and we are at various stages of investing in that capital. And that is something that would be very helpful to us.

Mr. MICA. I think we are looking at that. One of the things that concerns me also is when we do have Customs doing its job and DEA doing its job. I read recently in the L.A. Times and also our report from this subcommittee in March detailed that drug pros-

ecutions are down 12 percent nationally. It hasn't been a priority the last 3 years of this administration, drug prosecutions.

But I read in the L.A. Times that, in fact, you are finding illegals or others with narcotics and that, in fact, these folks after they are being apprehended are not being prosecuted by the U.S. attorney in that jurisdiction.

Is that correct?

Mr. WEISE. Mr. Chairman, I would like to submit for the record, there was a followup article in the Times that perhaps you missed, that corrected many of the errors in that original L.A. Times story. There are five criteria that are set by the U.S. attorneys office in San Diego in terms of when they would move in the direction of revoking the green card of the individual as opposed to actually prosecuting for the drug offense.

My understanding after having looked at the situation is that those are very responsible criteria that both of the former U.S. attorneys I think from the other party endorsed fully. And I think that that story, as often is the case—I have had experience myself with the L.A. Times stretching the truth a bit in terms of its writing about the U.S. Customs Service.

So I think that that story was exaggerated. We certainly do have a frustration among some of our inspectors from time to time when they work very hard, they apprehend, they seize relatively small quantities of drugs and then very soon thereafter they see someone coming back in again. But I don't think that was the situation in San Diego, but there are limits of how much the system can stand. But I think the prosecutions are generally up fairly substantially across the board.

Mr. MICA. Well, again, I don't have a copy of our report here. Bobby Charles has left. But, in fact, our report indicates just the opposite: that drug prosecutions across the country have dropped 12 percent. And I am going to direct the staff also to get us the figures on California and those districts along the border. I think we ought to look at Texas also.

Mr. WEISE. Does that include State and local prosecutions as well?

Mr. MICA. I'm sorry?

Mr. WEISE. Does that include State and local prosecutions or only Federal prosecutions?

Mr. MICA. Well, I am interested right now—I don't have jurisdiction over State and local at this time. We're working on that.

Mr. WEISE. Well, the reason I ask, Mr. Chairman, is frequently there are some thresholds that will not be prosecuted in the Federal court but they will be prosecuted in State and local, and we find many successful prosecutions.

Mr. MICA. And we have also expanded some of our prosecutorial purview from some of the legislation just in the last year or two on the Federal level. So if we have more authority to go after folks and we have less prosecutions, I would like to check those. We are going to look into those and see what is happening.

I understand some of this is informational. I think one of the Senators called for your resignation from California. I honestly do not know any of the details. I just heard that. Can you tell me

what that situation is? Did it have anything to do with trafficking or policy? Maybe you could enlighten me.

Mr. WEISE. Well, the Senator apparently had a view that we were not giving drug enforcement a significantly high priority and spending too much time facilitating merchandise through and not enough in drug enforcement. I have been working very closely with that Senator.

I think that the results speak for themselves over the course of the last year. I believe that our record is a solid one and drug enforcement clearly is the No. 1 priority of the Customs Service.

Mr. MICA. All right, I am going to switch for a second to Mr. Wankel. Mr. Wankel, the statistics I have from the report that came out from GAO said that in 1992 the drug-related arrests in Mexico were 27,600, and in 1995 the number had fallen to 9,900. You testified that you felt that cooperation was increasing, that there was a commitment in part, that they had passed parts of law, some require constitutional authority.

Is this correct, these figures, or is GAO misleading us in some way, and to what do you attribute these figures?

Mr. WANKEL. Well, Mr. Chairman, to the best of my knowledge, these figures are correct. When I am talking about or testifying to the fact about the commitment and the intent of the Government of Mexico, I need to say first of all that in my dealings now for about a year and a half I have been very actively and intricately involved in the process of dealing with Mexico and this current Government of Mexico.

I am convinced that President Zedillo and Attorney General Lozano, who are very committed, are men of substantial or total integrity, and that they are committed to doing that which is necessary. I believe that they believe it is a national security threat to Mexico and they want to do things for Mexico, not just because the United States is trying to pursue them. And that is why you see laws and that is why you see the beginnings of professionalization and the beginning of institution developments, et cetera.

I don't have a clear answer, a good answer, myself on why you could have a two-thirds reduction in arrests from 1992 to 1995, but I am convinced that we will see arrests, and meaningful arrests, of significant figures if we can continue the relationship that has been engendered here and is beginning to take route and get the resources necessary to move forward with that with these joint and bilateral investigations and bilateral units that we're working down there that we'll be able to make some tremendous progress.

Before we move on, if you don't mind, I would like to go back. Commissioner Weise took all my time on training. If I could just say a couple of words on training.

Mr. MICA. Go ahead.

Mr. WANKEL. We agree with you 100 percent as far as the benefit to be derived from providing training to our foreign counterparts. And, often, if we can do that in reasonable fashion where we have many countries come together, it pays even more dividends. And if we can bring them back to the United States it pays dividends.

Right now we have a very limited budget and that is provided to and administered by INL of the Department of State. It is a very small budget. I'm not sure what. But I know that the Drug Enforcement Administration is only able to fulfill 40 percent of what we consider to be requests that should be fulfilled, and so we have to do a very difficult work of prioritization. If we could get just a few million more dollars into that Department of State INL budget, that would pay big dividends for DEA, Customs, and Coast Guard, for certain.

And, lastly, as you probably are well aware of, we have a training academy that we are moving forward on that helps us as far as agents, as far as hiring new agents, training in-service. That is a \$30 million project that is far along but not yet funded. So anything along those lines would be very beneficial.

That is also a place where we bring in increasingly after we have learned from the FBI years past on visitors and dignitaries involved with law enforcement for training, for seminars. And that pays tremendous dividends.

Mr. MICA. One other area that I am concerned about with Mexico, I think you mentioned in your testimony that one of those involved in the Kiki Camarena murder and torture was still at large and had not been captured.

Is that correct?

Mr. WANKEL. One of the Quinteros, yes.

Mr. MICA. And are the Mexicans—is he in Mexico or are the Mexicans cooperating in that regard?

Mr. WANKEL. Far as I know, the cooperation is good. The individual—one individual has been—I may be misstating the name on Quintero. One individual was tried for some crime in Mexico and is not subject now to extradition to the United States.

Obviously, if we got our hands on this individual based on the crime, we would bring him over here. But right now, I don't think that there is any problem with what the Government of Mexico is doing or not doing in this effort involving Camarena.

Mr. MICA. Now, since there has been a shift in some of the drug trafficking and we know Mexico is now one of the chief transit areas and also we have identified Puerto Rico as another one. We don't want to take anything away, of course, from Miami.

Is there any shift in assets? Have you all made what you consider adequate shifts of assets and resources to cover these areas, or are there still gaps? Mr. Wankel, first.

Mr. WANKEL. Maybe I could start. The Department of Justice in the last couple of months has ordered a study, the Attorney General did, of the actual crime and threat situation in Puerto Rico and what would be the specifically the Drug Enforcement Administration and the FBI's views as far as the strategy, as far as programs and resources necessary to deal with that. That is in the process of being also discussed and shared with Customs and others, Treasury, for their views as well.

It is certainly the Drug Enforcement Administration's position that right now the external threats, or the geographic areas that are an external threat to the United States, are the Southwest border vis-a-vis Mexico and what comes through Mexico and the Car-

ibbean and Puerto Rico. Those are the two areas we are most focused on.

I would not say that we are yet at the level of enhancement that we need to be in the Caribbean and Puerto Rico. As you are probably aware, the DEA just this past year changed the status of our office in Puerto Rico and now made it a full division. We have a special agent in charge there.

As we get up to speed, we are looking to next year with our budget enhancement to move some numbers, or significant numbers, of personnel and resources to Puerto Rico to counter that threat and to actually fit into whatever is going to be the over-arching strategy that will come out of Government, both Justice and Treasury, as they review the threat and the programs that should be put together.

Mr. MICA. I have a specific request I would appreciate your fulfilling for the subcommittee. I would like you to take the resources and personnel as you had them assigned in various regions and countries, and also domestic, in 1992 and 1993 and then give us the current 1995 assignments and what you anticipate in 1996 and 1997 as distribution of, again, personnel and resources. If you could do that for the subcommittee, I would appreciate it.

Mr. WANKEL. I would be happy to. It is fortuitous that the administrator of the DEA has ordered that there be a review along this line complete with looking at for an annual staffing review what would be the best utilization of limited DEA resources for fiscal year 1997 or, you know, the end of 1996. So we are in the process of doing that. We will be happy to provide it.

Mr. MICA. I appreciate that. Commissioner Weise, could you tell us about your resource assignment?

Mr. WEISE. Mr. Chairman, I think we have done the best we can with the current resources we have had. We shifted about 160 more personnel—agents, intelligence analysts and others—to the Southwest border from existing resources. We have also shifted in Operation Gateway a number of resources to Puerto Rico.

We are very hopeful that the President's initiative of the \$65 million and 657 additional positions will go forward so that we can further buttress those areas. But I think we have placed our existing resources in terms of putting them where the threat is the greatest. We've gone about as far as we can go.

As you are aware, it is very expensive to move people. It costs, believe it or not, between \$50,000 and \$70,000 per person to make a permanent change of station for someone to relocate them. And if you don't do that, if you do it on a TDY basis, that gets very expensive with the per diem and the cost of hotels and things. So we are somewhat constrained in terms of how much we can shift existing resources. And we have done an awful lot of that, but I think we need that \$65 million.

Mr. MICA. Back to DEA for a minute, I noticed in some reports that DEA has gotten sort of a cold shoulder at times from some of the Mexican officials. I know some of our folks got a cold shoulder after the incident in California with the illegal immigrants who were attacked, I guess, by the police when they sped away and throwing objects at them at a high rate of speed. I know our dele-

gation that went down there was distracted by the press and some of the other officials by that incident.

I am wondering if you feel that the United States from the highest levels has made our commitment to this drug war a priority in other negotiations and talks and discussions with Mexican officials and that you are getting the access and the recognition that you deserve from Mexico?

Mr. WANKEL. The short answer would be a yes. I think that the incidents you are referring to resulted from some misunderstanding, misinterpretation, miscommunication, certainly not on the part of the administrator. I think that he was very clear. And in the small comments I made, I thought I was clear.

But somehow or another, that was misconstrued in the media. Going back to Commissioner Weise, sometimes those things happen. And I think that the Government of Mexico responded to what the media had said.

Since then, I am very comfortable, especially since the bi-national meeting, the establishment of the high level contact group and the senior officials of the Government of the United States to include Cabinet level officials that have been to Mexico and have been in meetings and in briefings with the Government of Mexico officials, are convinced, and our Ambassador, that the Government of Mexico is interested in being full partners and we are moving forward with this.

I am also convinced that the Director of ONDCP, General McCaffrey, is very supportive of Administrator Constantine and of the DEA and certainly Janet Reno, the Attorney General of the United States. So we feel very comfortable that we are able to meet with who we need to meet with to work with and to move forward in a capacity and a fashion that we think is in the best interest of the Government of the United States.

Mr. MICA. One of the other things that I noticed in the drug war of the 1980's was the turf wars. How would you both describe the cooperative effort in our current situation, particularly with Mexico?

Mr. WANKEL. Maybe we ought to first talk about the United States. I have been here now in the Washington, DC, for going on 7 years and it looks like this is where I am destined to be. I'll never be able to get out. And I have been through some turf wars here as well, particularly with the FBI and with the Customs and all this that have been less than, shall we say, beneficial certainly to DEA and probably to the other agencies as well.

What I am encouraged by in the last 2 to 3 years since Director Freeh, Administrator Constantine and Commissioner Weise have come on board, that doesn't happen any more. We have some minor eruptions from time to time, but we have a memorandum of understanding that was signed by Administrator Constantine and Commissioner Weise in August 1994 that basically has put to rest issues, at least of any consequence, between Customs and DEA.

You have DEA and FBI are working together like never before. I was recently assigned in an exchange program with the FBI and the first non-FBI official to be a deputy assistant director overseeing organized crime and drugs. So you now have, I think, the Moon, the Sun, and the Stars lined up, and we are cooperating in

pattern of trafficking and transit is in Mexico that we have to deal with.

Mr. WANKEL. Colombia is still in a bit of disarray as far as the settling out who is in charge or who is in control or how many are in charge or how many are in control of the drug production and trafficking business. And right now there appears to be, based on some of the bloodletting we have seen in the last few weeks, an on-going battle between some traffickers from the northern valley area, probably loosely aligned to or somehow related to Ivan Erdonola, who is currently in prison, the same prison that Rodriguez Orejuela is in. And the Cali group. So there is that going on right now.

As you are probably aware, William Rodriguez Orejuela, son of Miguel Rodriguez Orejuela and one of the people that has been handling some of his father's business since he has been in jail, a few weeks ago there was an attempt made to assassinate him. Five bodyguards were shot and he himself was shot six or seven times and is in the hospital, rather, recuperating. So Colombia is in a state of disarray here. There is a lot of gang wars, if you will, going on there.

Mexico is a little different situation. And what concerns me most about Mexico is that you've got there a number of organizations and probably four or five that sort of come to the top as being the most powerful, the most structured, that have been dealing—and, especially, I think about Amado Carillo Fuentes when I make this next statement—that have been dealing directly with what I consider to be the most sophisticated, structured, compartmented, resource-rich, technology driven, organized syndicates that the world has ever seen on the crime side, the Cali cartel in the past.

Amado Carillo Fuentes was dealing very directly with Miguel Rodriguez Orejuela and learned a great deal of that sophistication, picked up how to compartment, how to use cell phones, how to handle the business probably in a little better fashion than he and his organization was before. These people are now employing some of those techniques and becoming much more formidable. They are making a lot more money out of this business than they did before so they have got a lot more money to spread around, to include corruption. So they are very major forces.

As well, it should not be lost on anyone in this room that right now we have now ascertained and proven that there are Colombian and Mexican groups in this country that are controlling the wholesale distribution of cocaine. Right now they seem to get along reasonably well. That need not always be the case down the road, and we could see some turf wars or some situations between Mexicans and Colombians here that could be detrimental to citizens of this country.

Mr. MICA. I just remembered, too, when you do your report can you give me your number of deskbound people in both locations?

Mr. WANKEL. Including chief of operations?

Mr. MICA. My mind runs on a couple tracks at the same time.

Now, gentlemen, given what we have seen here as far as the report of the GAO in April and today's report, given the fact that your resources have been cut, your finances have been cut, yours have been pretty much frozen, this policy hasn't worked, has it? I

a much better fashion, much more productive than we have ever done before. And I think that is going to continue. We have now seen the benefits of that. But I would defer to the Commissioner for his views.

Mr. WEISE. I would concur with that. I don't have the historical perspective that Mr. Wankel brings to it from many years of field experience, but I have been told by many people that the cooperation and the working relationships are stronger than they perhaps have ever been in the past.

There is clearly a commitment at my level and Administrator Constantine's and, equally importantly I think, at the Attorney General level and Secretary Rubin's level that we are committed to trying to work through that turf fighting and really get to the most effective law enforcement we can. We certainly have our disagreements, but we do work with them.

Mr. MICA. How many times have you met with the new drug czar, Commissioner Weise?

Mr. WEISE. I would say about five or six times now.

Mr. WANKEL. The administrator of the DEA—I've met with him twice and the administrator of the DEA has met with him six or seven times and had a number of telephone calls. So it is very common that they exchange communication.

Mr. MICA. One of the things that has concerned me, and I don't know if this is still the situation but, Mr. Wankel, we haven't been able to get from Mexico any specific amounts of dollars or pesos, whatever you call them, from Mexico and what they are spending in the drug war so we don't have a real handle on what Mexico is doing or spending.

Is that still the situation? Are they still balking at giving us that?

Mr. WANKEL. I don't know myself of any change, but I would have to defer to the Department of State and to my staff to see if there has been any change in that, Mr. Chairman. I am not familiar with any change in that. I don't know how much of it is balking as just bureaucratic issues and problems of trying to capture it. I'm not sure on that.

Mr. MICA. So we have no way to measure their commitment or activities from a dollar and cents standpoint?

Mr. WANKEL. We know of certain dollar and cents commitment to the various programs that we are attached to with the DEA, but I could not say with any degree of comfort or certainty how much is in total against the entire eradication or smuggling or interdiction or enforcement programs of Mexico. I don't know that.

Mr. MICA. One of the things we found on our trip was, you know, it used to be you had maybe a dozen major kingpins in the drug war, and most of those have been taken out or a lot of pressure put on them. And we have seen a tremendous change in the way these folks operate. Now it looks like we've got scores of smaller operators.

Mr. WANKEL. Well, if you're talking about Colombia—

Mr. MICA. I am talking about Colombia and also Mexico.

Mr. WANKEL. Well, Mexico is a little different.

Mr. MICA. And that's my question. Tell me about the pattern now in Colombia, if that is a correct assessment, and then what the

mean, and you can see the impact in increased narcotics; is that correct?

Mr. WANKEL. Well, I would say this, let me answer that this way—

Mr. MICA. I mean, you were dealt these cards. Come on, you've got to be honest here. You are under oath.

Mr. WANKEL. Yes, we were dealt these cards. One, I will say this, so let me answer that this way by saying that right now what this report doesn't capture is the change in laws and some of the significant results that it was leading to but now we see happening in Mexico. We also have a drug czar that is very active and very engaged and very much a leader and going to be a leader in this process.

Mr. MICA. But when you cut interdiction, when you cut resources to interdiction, when you cut resources to your activities in source countries, you see the net results. I mean, we can't deny this stuff is coming in, and big time. And use is up dramatically in the United States. I mean, you look at the charts and it just—I mean, maybe I am interpreting them wrong, but you see these activities drop off and you see the drug use increase.

Mr. WANKEL. I wouldn't dispute, particularly the drug use and certainly prevention, education, has to be stepped up a great deal.

Mr. MICA. And certainly Commissioner Weise can testify in the affirmative, can't you, to the question?

Mr. WEISE. Well, I would like to comment on it, if I could, Mr. Chairman. Clearly, anyone who is the head of any organization would want unlimited resources, the most he can possibly get and then you feel you can do the best job with it. But I think we can't lose sight of the backdrop that there are many problems that this country is facing, one of which is also trying to get this fiscal deficit in order. And everyone has had to tighten their belts a bit.

With regard to the changes that the Customs Service took, the major hits were basically to our air program and our marine program. We took, in fiscal year 1995, a 25-percent reduction in our air program and a 50 percent reduction in our marine program.

The analysis at the time that that was done was basically that the smugglers had moved to new methodologies. We have been very effective, as you know, in south Florida in the early 1980's with smuggling occurring by sea. And we have a lot of the fast boats. We invested a lot of money into it.

And as we got very good at it, they moved to other things. And then we moved to the air smuggling, where many instances of small aircraft were coming into the United States. We had over a \$100 million a year air program. The premise upon which the cuts were made was that we have to see whether we can maintain an effective deterrent to this type of smuggling because the fear obviously is if you eliminate an air or marine program, they will go back to those old methods of smuggling.

As far as air is concerned, I feel very, very strongly that we have been able to maintain the air defense and that all of the evidence is that we are not seeing a lot of instances of air smuggling coming into the United States with small aircraft the way it did several years ago; quite the contrary, we have evidence that the planes are

still landing on the southern part of our border in Mexico and it is coming over by land.

Mr. MICA. And also Puerto Rico.

Mr. WEISE. And Puerto Rico. But what we also said, from the beginning, is that if we can demonstrate that the threats are returning, we did not get rid of these planes. These planes are in, what they call, mothballs. They are in storage. We can put them back in the air very quickly, and the same with the boats. And we are already beginning to put more of the boats back in the water as we monitor the threat in Puerto Rico.

So I think it is an adaptable approach and it is also taking into account trying to be as fiscally responsible as we can because all of us have to tighten our belts. And I think we are doing an effective job with the resources that we have.

Mr. MICA. Well, Commissioner, you would be great in the political arena. You gave a really long answer, but I am going to accept for the record that you answered in the affirmative; otherwise, I am going to have to have staff call over and get Speaker Gingrich and Mr. Hastert out of that meeting and tell them that you said you could do a lot more with a lot less. And I don't want to do that today.

Mr. WEISE. I hope the record will reflect my full answer.

Mr. MICA. Well, also, Commissioner Weise, I remember back in the 1980's working with a tough commissioner. He had a way of getting people's attention. I remember one instance where, in fact, he closed down the Mexican border. I think it was after the Camarena incident.

And I am telling you today that you have the support of folks on our side, at least if you have to take drastic measures and close down the border or whatever it takes to get their attention. And there are some things that you can say and say publicly and some information you can provide at this hearing, and I invite and solicit your counsel to our staff and to members of the subcommittee.

And I know you have your pecking order in the bureaucracy and the administration, but we are determined to see that you get the resources. We are determined to reestablish interdiction. We are determined to give Customs, DEA, DOD, INS, Treasury, whatever departments it takes, Coast Guard, the resources to get back on track in this drug war, and whatever it takes to get Mexico's attention. And we are going to do it now or we are going to do it after November 5.

So I have additional questions and I have kept you gentlemen far too long. And I will submit some to you and I would like a response for the record. If there are any other statements for the record, by unanimous consent, they will be made a part of the record.

There being no further business before this Subcommittee on National Security, International Affairs, and Criminal Justice, I declare that the meeting is adjourned. Thank you.

[Whereupon, at 1:30 p.m., the subcommittee was adjourned.]