

“Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S-Mexico Border?”

**Testimony by Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center to
the House Subcommittee on National Security and Foreign Affairs
Chairman: Hon. John Tierney**

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I would like to thank Chairman Tierney and the Members of this Subcommittee for the opportunity to testify. I would also like to commend the Chairman on choosing a particularly timely issue to address, and a very constructive way to approach it.

The issue of organized crime tied to drug trafficking in Mexico is timely because of the rising violence in Mexico, which reached around 6,000 drug-related killings last year. Even though most of these killings took place in three cities and overwhelmingly involved those who work for drug trafficking organizations, the reach of organized crime is much broader than this, and it is undermining rule of law in many places in Mexico and creating a growing sense of insecurity. The Mexican government has accurately defined this as the country’s greatest threat and taken a valiant stance against organized crime, while trying to strengthen Mexico’s police forces and judicial institutions.

This issue matters to the United States not only because Mexico is our neighbor, with whom we share a 2,000 mile border, or because Mexico is a strategic partner in the hemisphere, and one with which we conduct much of our foreign trade; it also matters because the organized crime organizations that are causing death and destruction in Mexico have a presence in both of our countries and their trade is a truly shared problem. They are nurtured by the appetite for narcotics on this side of the border, with U.S. drug sales accounting for as much as \$10 to 25 billion that is sent back to Mexico to fuel the cartels. Some of these proceeds are used to buy weapons for the drug trafficking organizations, almost always in U.S. gun shows and gun shops.

When we see the violence across the border – and its deeper consequences for democracy and rule of law – we should recognize that our country houses those who knowingly or unknowingly finance and equip the organized crime organizations behind it. And that means that we also hold the key to at least part of the solution of this problem.

Fortunately, law enforcement cooperation between the governments of the United States and Mexico has increased significantly in recent years. We are now able to track and apprehend some of the worst criminals involved in the drug trade as they move from one country to another, and to share timely intelligence that helps disrupt the operations of drug trafficking organizations. The approval by Congress of the Merida Initiative last year has further deepened this cooperation by strengthening contacts and building trust between the two governments to address this common threat together.

However, the most important actions that the U.S. government could take to undermine the reach and violence of these drug trafficking organizations need to be taken on this side of the border. There are three sets of actions that we could reinforce that would be especially vital to undermining the drug trafficking organizations. All of these actions are in our national security interest because they will help stabilize the situation in Mexico and prevent any spillover into the United States. They are also good domestic policy because they would make our communities in the United States safer and more secure.

First, we can do a lot more to reduce the consumption of drugs in the United States.

The demand for narcotics in this country drives the drug trade elsewhere in the hemisphere, including Mexico. There is, of course, no magic bullet to do this – and I claim no particular expertise on the prevention and treatment of addictions. However, even a cursory look at recent federal expenditures on narcotics shows that we have increasingly emphasized supply reduction

and interdiction while scaling down our commitment to lowering consumption in the United States. Available research suggests that investing in the treatment of drug addictions may actually be the most cost effective way at driving down the profits of drug trafficking organizations by reducing their potential market. And although many drug prevention programs have marginal effects on usage, we have also learned a great deal in recent years about preventing addiction from the highly successful campaigns against tobacco use, which suggests that it is a good time to invest actively in prevention once again. We cannot eliminate drug use or addictions, but it is worth making a concerted effort to drive down demand not only for public health reasons but because it hurts the bottom line of criminal organizations.

Second, we can do much more to disrupt the 10 to 25 billion dollars that flow from drug sales in U.S. cities back to drug trafficking organizations in Mexico and fuel the violence we are seeing. The Treasury Department has done a good job of making it difficult to launder money in financial institutions. However, the drug trafficking organizations have now turned to shipments of bulk cash, which has become the preferred way of getting their profits back across the border. Currently no single agency is fully tasked with following the money trail in the way that agencies are tasked with pursuing the drugs themselves. CBP, ICE, DEA, FBI, Treasury, and local law enforcement are all part of this effort currently, but all are primarily tasked with other responsibilities. It is worth noting that it is both impractical and undesirable to try to stop this flow only at the border. Massive sweeps of cars exiting the United States for Mexico would disrupt the economic linkages between border cities and probably yield few gains, since the cash is often divided up and taken across the border in small amounts. The real challenge is developing the intelligence capabilities to detect the flow of money as it is transported from one point to another in the United States as cash, or when it enters financial

institutions as money transfers, foreign exchange purchases, and bank deposits. There are recent experiences in pursuing terrorist financing that may be useful models for similar efforts to pursue the finances of drug traffickers.

Third, we can do much more to limit the flow of high caliber weapons from the United States to Mexico. Most of the high-caliber weapons – perhaps as many as 90% – that are used by drug trafficking organizations are purchased in the United States and exported illegally to Mexico. It is vital to increase the number of ATF inspectors at the border and to increase cooperation with other law enforcement agencies, which often have relevant intelligence on this. The current prosecution by the Arizona Attorney General’s office of a gun dealer who was knowingly selling arms to drug trafficking organizations is a powerful precedent, but it is only a first step. The Obama administration could also limit criminals’ access to inexpensive, high-powered weapons by limiting the importation into the United States of some of the high-caliber assault weapons favored by the drug traffickers, which has driven down the price. There is much that we can do to limit the access that criminals now have to high-powered weapons without violating the spirit of the second amendment or harming the interests of American hunters and gun collectors.

Over the past few years our efforts to deal with drug trafficking organizations have been primarily focused on interdicting the supply of drugs abroad and at home. We should not abandon this strategy entirely – the Mexican government has requested assistance in addressing the threat that drug trafficking organizations present to their country as well as in building the kind of law enforcement and judicial institutions that will make it hard for drug trafficking organizations to operate in the long-term. However, it is time to adopt policies that are far more strategic and attack the sources of the profits and the weaponry that now fuel drug-related

violence. This requires looking at our domestic responsibilities for reducing consumption rates and disrupting the supply of money and guns. To do this will require both presidential and congressional leadership to get our foreign policy and domestic agencies working together to address this problem in a far more comprehensive way than we have done in recent years. There is no magic solution to the threats posed by organized crime, but a more comprehensive strategy would help reduce the reach and impact of these criminal organizations.

If we do this, we will not only be performing a service to our neighbors and partners in Mexico, who wish to live in peace without the threat that drug trafficking organizations now present to their safety and to the rule of law, but also to communities throughout the United States that live with both the public health and public security consequences of drug trafficking.