

Transnational Crime, U.S. Border Security, and the War on Drugs in Mexico

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Introduction

On behalf of the Trans-Border Institute at the University of San Diego, I would like to thank Chairman McCaul and other members of this subcommittee for the invitation to provide testimony on recent drug war violence in Mexico and the border region. Our organization has been monitoring Mexico's rule of law challenges through an on-going research initiative known as the *Justice in Mexico Project*, which has been generously supported by The William and Flora Hewlett Foundation, the Tinker Foundation, and the Open Society Institute. Today, I will discuss the security situation in Mexico, the interests of U.S. national security, the specific role of U.S. border security efforts, and the best approach to reduce the power and impunity of Mexico's organized crime groups (OCGs). My testimony summarizes the findings of a recent report I produced for the Council on Foreign Relations, as well as over ten years of close monitoring and analysis, personal interviews with U.S. and Mexican officials, original surveys of judicial sector personnel, and in-depth field research in such places as Mexico City, Guadalajara, Monterrey, Ciudad Juárez, and Tijuana.

Mexico's Security Situation

Mexico is in the midst of a worsening security crisis with serious implications for the United States. Explosive clashes and territorial disputes among powerful OCGs killed more than 34,500 people from December 2006 to December 2010, four years after President Felipe Calderón took office (See Appendix). In this year alone, there have been more than 2,600 organized crime killings documented by the Mexico City daily newspaper *Reforma*, on track to reach at least 10,000 this year by their very conservative estimates.¹ The total number accumulated OCG killings in Mexico now stands at well more than double the number of drug-related killings since last time I testified in Congress, almost exactly two years ago (see Appendix).²

The geography of Mexico's violence remains highly concentrated, with two-thirds of drug-related homicides are concentrated in just five of the 32 Mexican states and roughly 80 percent in just 168 of 2,456 municipalities. The density of violence has made major trafficking cities like Ciudad

Juárez and Culiacán among the deadliest places in the world. Indeed, with just over one million inhabitants, Juárez had more than 2,000 homicides in 2009 and 2010, a number that exceeds the combined annual totals for New York (532), Chicago (435), Philadelphia (304), Los Angeles (297), Washington, DC (131), and Miami-Dade (84). Meanwhile, throughout Mexico dozens of Mexican elected officials, hundreds of police and military personnel, and intelligence agents working with U.S. law enforcement in the fight against organized crime have been killed.³ In addition to these victims, dozens of U.S. citizens have been caught in the crossfire, including ICE agent Jaime Zapata, who last month became the first U.S. law enforcement officer killed on assignment in Mexico in over 20 years.

Mexico's security crisis is largely a reflection of the country's economic struggles over the last few decades. As a result of a series of economic crises starting in the 1970s, Mexico's total underground economy—including street vendors, pirate taxis, and a burgeoning market for “second-hand” goods stolen from local sources (such as auto parts, electronics, etc.)—now accounts for as much as 40 percent of all economic activity.⁴ According to official estimates, illegal drug production and trafficking provides employment opportunities for an estimated 450,000 people, and perhaps 3-4 percent of Mexico's more than \$1 trillion GDP.⁵ Today, the illicit drug sector involves large numbers of young men aged 18-35 who have neither educational nor employment opportunities, known commonly in Mexico as “ni-ni's” (*ni estudian, ni trabajan*). Where other options have failed them, these young men have found substantial economic opportunities in the illicit global economy for drugs.

This industry grew significantly in Mexico beginning in the 1980s, due to increases in U.S. consumption of illicit psychotropic substances (especially cocaine) in the 1970s and tougher counter-drug efforts in Colombia and the Gulf of Mexico in the 1980s. Initially, the organized crime groups operating in Mexico benefited from closely knit organizations that were well protected by corrupt officials within a highly centralized political system. However, competition among drug trafficking organizations has increased dramatically in recent years, due to domestic political changes in Mexico, increased counter-narcotics efforts, and other factors that have contributed to their fractionalization, proliferation, and decentralization. The result has been a much more chaotic and unpredictable pattern of violent conflict in Mexico.

A Shared Threat: U.S. Security Interests

Given these trends, violent organized crime groups represent a real and present danger to Mexico, the United States, and neighboring countries. The United States has much to gain by helping to strengthen Mexico, and even more to lose if it does not. The cumulative effects of an embattled Mexican state

harm the United States, and a further reduction of Mexican state capacity is unacceptable and raises the several concerns.

First, the weaker the Mexican state, the greater difficulty the United States will experience in controlling the nearly two-thousand-mile border. Spillover violence, in which Mexican OCGs bring their fight to American soil, is a remote worst-case scenario.⁶ However, the penetration of U.S. institutions by Mexican organized crime presents a serious problem along the border, as made clear by the recent arrest of local U.S. authorities in Columbus, New Mexico on gun trafficking charges, as well as hundreds of criminal allegations and bribery cases filed within Customs and Border Protection in recent years.⁷

Second, weak Mexican government increases the flow of contraband and immigrants into the United States. As the dominant wholesale distributors of illegal drugs to U.S. consumers, Mexican traffickers are also the single greatest domestic organized crime threat within the United States, operating in every state and hundreds of U.S. cities, selling uncontrolled substances that directly endanger the health and safety of millions of ordinary citizens. In addition, recent reports suggest that high levels of violence in Mexico have caused massive internal displacement that has led tens of thousands of Mexicans to seek refuge in the United States.⁸

Third, widespread violence in Mexico damages an important economic market for the United States. As a member of the North American Free Trade Agreement (NAFTA), it is one of only seventeen states with which the United States has a free trade pact, outside of the General Agreement on Trade and Tariffs (GATT). The United States has placed nearly \$100 billion of foreign direct investment in Mexico. Mexico is also the United States' third-largest trade partner, the third-largest source of U.S. imports, and the second-largest exporter of U.S. goods and services—with potential for further market growth as the country develops. Finally, Mexican instability threatens other countries in the region. Given the fragility of some Central American and Caribbean states, expansion of Mexican DTO operations and violence into the region has already begun to have a seriously destabilizing effect.

Not only is helping to solve Mexico's crisis in the U.S. national interest, but the United States also bears a shared responsibility for resolving it, since U.S. drug consumption, firearms, and cash have fueled much of Mexico's recent violence.⁹ According to the 2007 National Survey on Drug Use and Health, roughly 8 percent of U.S. residents over the age of twelve—some 19.9 million people—had used drugs within the past month.¹⁰ Because of the size of the U.S. black market for drugs and the inflationary effect of prohibition on prices, Mexican suppliers enjoy enormous profits, estimated at \$6 billion to \$7 billion annually, with at least 70 percent coming from hard drugs like cocaine, heroin,

methamphetamine, and other synthetics and operatives in U.S. banks like American Express, Bank of America, and Wells Fargo facilitating drug traffickers' financial operations.¹¹ Moreover, lethal firearms, ammunition, and explosives sold both legally and illegally in the United States arm the cartels and are a major contributing factor to Mexico's violence, since an estimated 10 percent of U.S. gun dealers are located along the U.S.-Mexico border and powerful U.S. gun lobbies have effectively hamstrung efforts to enforce existing laws or otherwise regulate access to deadly, high-powered weapons.¹²

The United States should therefore take full advantage of the unprecedented resolve of Mexican authorities to work bilaterally to address a common threat. In particular, failure to address money laundering and gun trafficking with greater commitment undermines Mexico's trust and has already begun to close the present window of opportunity for bi-national cooperation. Indeed, recent revelations about U.S. diplomatic cables and *Operation Fast and Furious* —an ATF operation that allowed thousands of guns to pour into Mexico for investigative purposes— have conveyed to some Mexicans that the United States is not serious in its commitment, severely damaging U.S.-Mexico relations and contributing to the recent resignation of U.S. Ambassador Carlos Pascual.

U.S. Assistance and Border Security

Notwithstanding recent setbacks, the United States and Mexico have been working together more closely than ever before through the Merida Initiative, which began as a three-year, nearly \$1.4 billion-aid package to provide U.S. equipment, training and technical assistance, counternarcotics intelligence sharing, and rule of law promotion programs in Mexico and Central America (See Appendix).¹³ For Mexico, direct U.S. financial assistance provides a significant boost on top of the roughly \$4.3 billion spent annually combating drug trafficking.¹⁴ The current framework for cooperation under the Mérida Initiative has four “pillars”: more binational collaboration to combat DTOs, greater assistance to strengthen the judicial sector, more effective interdiction efforts through twenty-first-century border controls, and new social programs to revitalize Mexican communities affected by crime and violence.¹⁵

My comments in this hearing will focus primarily on “Pillar Three,” the effort to create a 21st Century border. Secretary of Homeland Security Janet Napolitano and Customs and Border Protection Commissioner Alan Bersin have been actively engaged in high-level collaborative efforts to work with Mexico to strengthen border security measures. Mérida funds have been used to strengthen Mexican capacity for border controls, primarily targeting the southbound flow of weapons and bulk cash. Less effort has been focused on controlling Mexico's southern border, which is a major source

of land-based shipments of contraband headed north. Above all, after a three-decade effort to beef up border security, the U.S.-Mexico divide is more heavily fortified than at any point since the Mexican revolution, when half of U.S. forces were stationed there to stave off Mexican insurgent groups.

Indeed, the number of Border Patrol agents grew from 2,900 in 1980 to around 4,000 by 1994, at the start of NAFTA. At the time, public concerns about drug trafficking and undocumented built support for more concentrated border-enforcement efforts, such as “Operation Hold-the-Line” and “Operation Gatekeeper,” intended to gain operational control of strategic corridors along the border. With new funding for these programs, the border was fortified with new fencing and high-tech surveillance systems, and the size of the Border Patrol more than doubled to over 9,000 agents in 2000. In the new millennium, the 9/11 attacks placed new urgency on homeland security and led to continue investments in southwest border enforcement. By the end of President Obama’s first year in office, the Border Patrol had more than doubled in size to more than 20,000 agents and annual spending on border security at more than \$40 billion (see Appendix).¹⁶

Unfortunately, one of the major flaws of the current U.S.-Mexico strategy is the false presumption that international trafficking of drugs, guns, and cash can be effectively addressed through interdiction, particularly along the nearly two-thousand-mile U.S.-Mexican border. Indeed, while this massive security build-up at the border has achieved maximum attainable levels of operational control, the damage to Mexico’s drug cartels caused by border interdiction has been inconsequential. In 2009, U.S. authorities seized about 17,000 kilos of cocaine, or about \$273 million at wholesale prices (roughly \$16,000 per kilo), at the southwest border. However, authorities spent most of their time and manpower seizing the nearly 1.5 million kilos of marijuana that, in bulk terms (total poundage), represented 98 percent of all illicit drugs seized at the border. According to the best available estimates, these seizures represented a small fraction, no more than 9 percent of the \$6 to 7 billion in total proceeds that Mexican DTOs derive from the United States each year.

Meanwhile, there have been several unintended consequences of heightened interdiction at the border, including added hassles and delays that obstruct billions of dollars in legitimate commerce each year, the expansion and increased sophistication of cross-border smuggling operations, and greater U.S. vulnerability to attacks and even infiltration by traffickers.¹⁷ Because the major urban corridors along the border have been largely secured, further efforts to beef up the border through more patrolling and fencing will have diminishing returns and will likely cause more economic harm than actual gains in security.¹⁸

Policy Recommendations

Mexico urgently needs to reduce the power of violent organized crime groups. The best hope for near-term progress is to bolster U.S. domestic law enforcement efforts to curb illicit drug distribution, firearms smuggling, and money laundering. The United States should also develop and implement a coordinated, national interagency strategy for identifying, investigating, and disrupting the U.S. financial facilitators and arms distributors that support Mexican DTOs. To make progress toward these ends, U.S. authorities should:

1) Strengthen controls to prevent illegal exports of firearms to Mexico: introducing registration requirements for large-volume ammunition purchases and unassembled assault weapons kit imports; strengthening reporting requirements for multiple long arms sales (similar to those for multiple handgun sales); increasing ATF capacity for the investigation of straw-purchases and trafficking conspiracies; enforcing the federal ban on imports of assault rifles not intended for sporting purposes; and removing obstacles to information sharing among law enforcement agencies and greater transparency in the public reporting of aggregate data on gun crimes.

2) Establish better controls on money laundering and DTO financial operations: The United States should provide more resources, training, and coordination mechanisms for state and local law enforcement agencies to better target, seize, and trace the proceeds of illicit drug sales. The United States should aggressively enforce the Foreign Investment and National Security Act of 2007 to track the investments of Mexican drug traffickers in the United States. Additionally, the United States should establish joint operations to share data and intelligence on possible drug money laundering in Mexican and third-country financial institutions. Ultimately, the United States needs greater coordination and stronger initiatives from the U.S. Securities and Exchange Commission (SEC), Treasury Department, and Federal Deposit Insurance Corporation (FDIC) to conduct careful searches for financial patterns consistent with drug money laundering. If these institutions cannot do so, then the United States should create a new agency that will.

3) Strengthen cross-border cooperation and liaison mechanisms: The executive branch should establish stronger mechanisms to coordinate U.S. responses to Mexico's security crisis domestically and abroad, including a White House office (Special Assistant) to facilitate sustained, high-level attention to U.S.-Mexico security cooperation, coordinate inter-agency processes, and monitor developments and

progress. Moreover, the U.S. government should reinvigorate the Security and Prosperity Partnership or launch a similar initiative, creating a permanent, multilateral council of nongovernmental, private sector, and elected representatives. The United States and Mexico should also re-activate the Bilateral Commission meetings of cabinet-level personnel to ensure that bi-national cooperation progresses on other fronts that are important beyond security. At the state level, the federal government should support collaboration among the U.S.-Mexico border governors and border legislators. Along the border, the United States should dedicate greater staff and resources to bi-national border liaison mechanisms (BLMs), as well as multiagency task forces and international liaison units within U.S. law enforcement agencies.

4) Prevent blowback from U.S. deportations of criminal aliens

U.S. law enforcement, prison, and immigration authorities should work more closely with their foreign counterparts to prevent repatriated criminal aliens from becoming new recruits for DTOs in Mexico and Central America. Preventive strategies should include educational and rehabilitative programs for foreign nationals in U.S. prisons (such as working with Mexico's education ministry to provide the equivalent of a general education degree to Mexican criminal aliens during their incarceration in the United States). In addition, U.S. immigration authorities should be required to work with Mexican and Central American authorities to develop better bilateral protocols for managing the reentry of aliens to their home country.

5) Develop explicit performance measures for the fight against organized crime: Across the board, U.S. agencies should establish explicit baseline indicators, performance measures, benchmarks, targets, and timelines for progress toward their strategic objectives of dismantling organized crime, strengthening rule of law, reducing illicit flows, and building stronger communities. Assessment efforts will require dedicated funding for both congressional oversight and nongovernmental monitoring efforts, and should go beyond typical "output" measures (e.g., arrests, trainings, seizures, and program activities) to evaluate "outcomes." Specifically, the U.S. Congress should require the Department of Homeland Security to provide regular reports and greater detail—including information and statistics on activities, seizures, apprehensions, and aggregate costs—for current border security initiatives and programs intended to facilitate interagency collaboration in combating drug trafficking, money laundering, and firearms trafficking in border communities, such as Operation Stonegarden. In addition, the U.S. Government Accountability Office should carefully assess the corrupting influences

of transnational organized crime networks on U.S. border security and law enforcement, and ensure that there are adequate resources to address possible vulnerabilities and breaches in integrity.

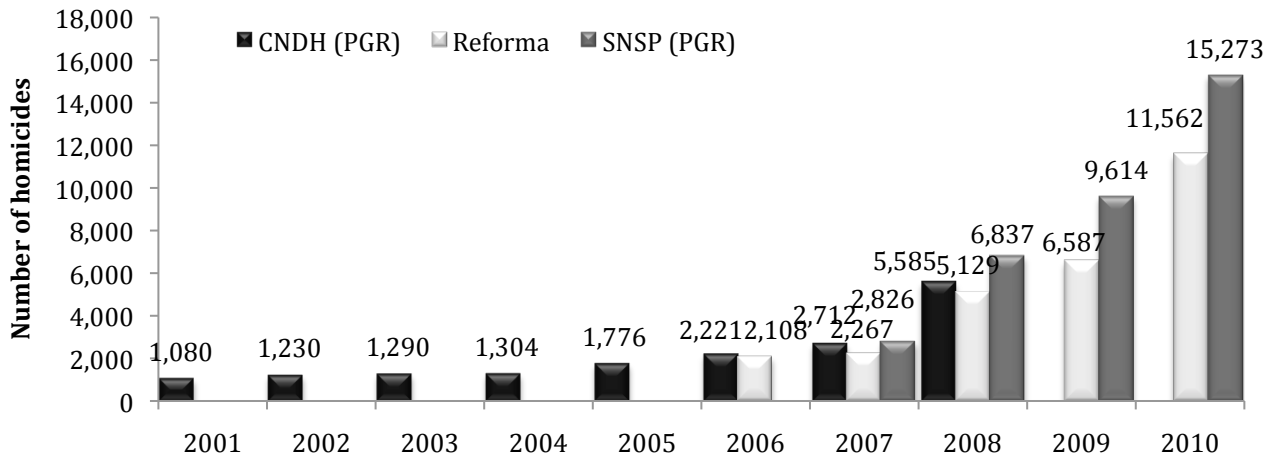
6) Evaluate alternatives to current counter-drug policy: The U.S. Congress should commission an independent advisory group to examine the fiscal and social impacts of drug legalization as well as other alternative approaches to the war on drugs. The commission should be provided adequate funding—at least \$2 million—to provide a comprehensive review of existing policies and develop realistic, clearly defined, and achievable policy recommendations for reducing the harms caused by drug consumption and abuse. The United States should simultaneously take a leading role in the international dialogue on the future of drug policy by collaborating directly with other countries in the Americas to develop alternative policy approaches to reduce the harm caused by drugs. Specifically, the United States and Mexico should work together in promoting the Inter-American Drug Abuse Control Commission’s “New Hemispheric Drug Strategy,” with an emphasis on protections for basic human rights, evidence-based drug policy, and a public health approach to drug abuse.

Conclusions

The opportunity for effective U.S.-Mexico cooperation to address these shared concerns has grown in recent years, thanks to the resolve of Mexican leaders to embrace the fight against transnational organized crime. The United States has a vested interest in helping Mexico improve its governance, national security, economic productivity, and quality of life, which are integral to making Mexico a better neighbor and trade partner in the longer term. Despite some recent tensions, Mexico is also eager to continue working toward these ends, and it has embraced unprecedented levels of collaboration thanks to a growing spirit of cooperation on both sides of the border. Challenges and setbacks are inevitable, and will require sustained efforts to build greater trust and cooperation between both countries. In the long run, the United States can help shift the balance in Mexico’s battle against organized crime and prevent the further spread of violence within Mexico and to its neighbors. This will require a serious commitment to U.S. responsibilities at home, long-term investments to make Mexico a more secure and prosperous neighbor, and a more sensible policy for managing the harms associated with drugs.

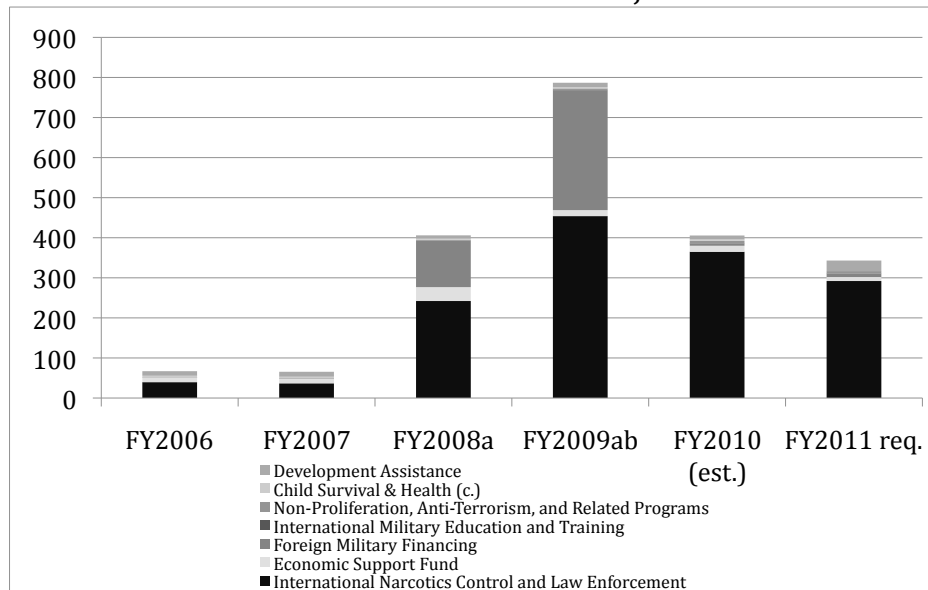
APPENDIX

Drug-Related Homicides in Mexico, 2001-2010



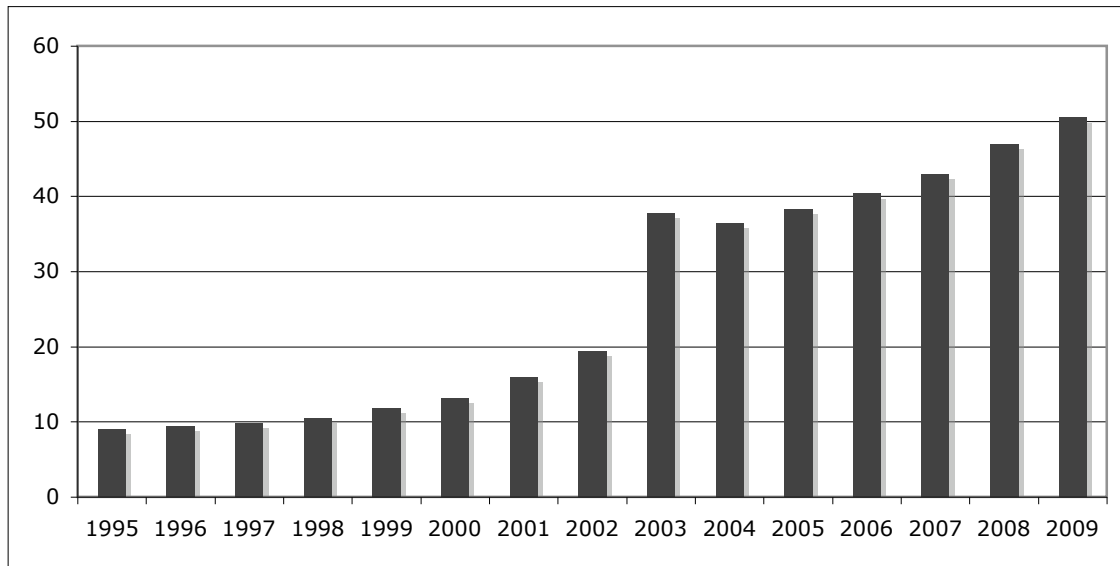
Sources: Ríos and Shirk (2001) compilation from Comisión Nacional de Derechos Humanos (CNDH), Reforma newspaper, and the Sistema Nacional de Seguridad Pública (SNSP). CNDH figures come from official data released by the Procuraduría General de la República (PGR); Reforma's come from their own press-based count, and SNSP data come from information collected regional representatives of the PGR and published by the Office of the Mexican President.

U.S. Merida Assistance to Mexico, 2006-2011



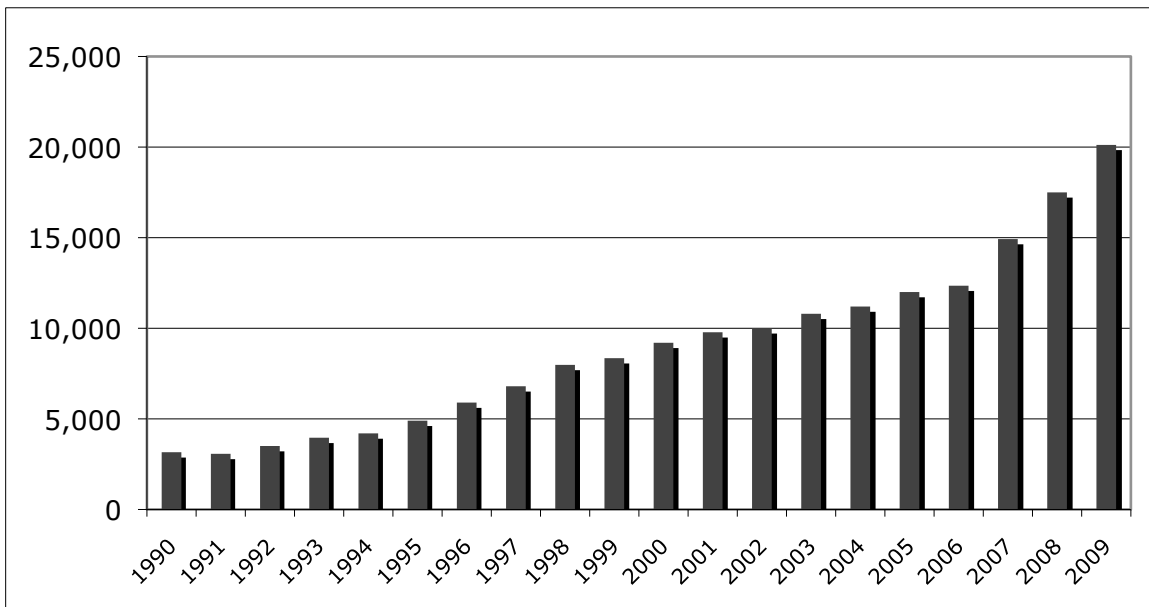
Sources: U.S. Department of State, Congressional Budget Justification for Foreign Operations FY2008-FY2011, FY2010 Supplemental Appropriations Act (P.L. 111-212).

Federal Budgets for Border Security Spending (billions of dollars), 2004-2009



Data for 2003–2008 adapted from U.S. Department of Homeland Security, *Budget in Brief* publications, 2004–2009 (www.dhs.gov). Note: Total budget authority in billions of dollars, not adjusted for inflation. Data for FY2009 includes only requested budget.

U.S. Border Patrol Personnel, 1990-2009



Source: Data from 1990–2007 adapted from José Z. García, “Security Regimes on the Border,” Table 12.1 Security Personnel on the United States’ Southwestern Border, p. 306; Leslie Berestein, “Tightened Border in San Diego Shifts Strain to Areas East,” San Diego Union Tribune special report titled “Operation Gatekeeper: 10 Years Later” and published August 1, 2004; and Department of Homeland Security, *Budget in Brief*, 2006-11. Data from 2008-09 from Department of Homeland Security *Budget in Brief*, 2011.

Endnotes:

¹ In a report I co-authored with Viridiana Ríos in February 2011, we found that *Reforma* underestimates the number of organized crime-related homicides by at least 30% compared to Mexican government figures. Since Mexican government data are reported only sporadically, *Reforma's* data provide a useful conservative estimate of the patterns of violence in Mexico.

² Testimony before the House Appropriations Subcommittee on Commerce, Justice and Science, and Related Appropriations, March 24, 2009.

³ In 2010 alone, 14 of the country's roughly 2,450 mayors were assassinated. Viridiana Ríos and David Shirk, *Drug Violence in Mexico: Data and Analysis Through 2010*, Trans-Border Institute, 2011 and Redacción, "EU: el narco asesinó a 61 enlaces de DEA y FBI," *Público*, Año 14, Numero 4808, December 4, 2010, p. 28.

⁴ Jose Brambila Macias, *Modeling the Informal Economy in Mexico. A Structural Equation Approach*, Munich, 2008 <http://mpira.ub.uni-muenchen.de/8504/>.

⁵ As Campbell (2009) notes, drug trafficking creates a wide range of relatively flexible job opportunities at different levels of specialization: pilots, drivers, and logistics experts; lookouts, enforcers, and professional hit men; accountants and financial experts; and top-level cartel executives in the drug trade. U.S. government estimates of the total profits from these activities are between \$19 billion to \$39 billion, while the Mexican government has long estimated drug profits to be around \$11 billion to \$12 billion annually; these range between one to three percent of Mexico's \$1.4 trillion GDP. A recent Rand study provides the most careful estimate available to date, placing annual Mexican drug profits from the United States, not including other revenues, at around \$6-7 billion or half a percent of GDP. See: Howard Campbell, *Drug War Zone*. Austin: University of Texas Press, 2009 and Beau Kilmer, Jonathan P. Caulkins, Brittany M. Bond, and Peter H. Reuter, *Reducing Drug Trafficking Revenues and Violence in Mexico: Would Legalizing Marijuana in California Help?* Occasional Paper. Santa Monica, CA: Rand Corporation, 2010.

⁶ The U.S. government defines "spillover violence" as DTO attacks targeting U.S. assets, but excludes DTO-versus-DTO violence on U.S. territory or elsewhere.

⁷ According to one investigative report by *The New York Times*, in 2004, the office of internal affairs for the U.S. Customs and Immigration Service compiled 2,771 complaints against the agency's employees, including more than 550 that involved criminal allegations and more than 100 that involved allegations of bribery. From October 2003 to April 2008, there were numerous cases of alleged corruption identified along the border: 125 in California, 45 in Arizona, 14 in New Mexico, and 157 in Texas. While incidences were not exclusively the result of penetration by Mexican organized crime, they illustrate the vulnerability of U.S. law enforcement agencies to corruption.

⁸ The Internal Displacement Monitoring Centre issued a report stating that there are an estimated 120,000 internally displaced people (IDPs) as a result of the violence from the Mexican Drug War and other factors. In the press, the figures were widely reported incorrectly at around 230,000, the number of people who fled their homes in the troubled city of Ciudad Juárez, not all of whom are properly categorized as IDPs. However, the report, titled Internal Displacement: Global Overview of Trends and Developments in 2010, clearly indicates that the total number was only 130,000 persons formally labeled as IDPs. The Internal Displacement Monitoring Centre asserts that in 2010 "most IDPs originated from the states most affected by violence, Chihuahua and Tamaulipas." Stevenson, Mark. "Report: 230,000 Displaced by Mexico's Drug War." *Associated Press*. March 25, 2011. Internal Displacement Monitoring Centre, *Internal Displacement: Global Overview of Trends and Developments in 2010*. <http://www.internal-displacement.org/publications/global-overview-2010.pdf>

⁹ While there is debate about the exact proportion of U.S. firearms that are responsible for Mexico's violence, there is no doubt that these number in the tens of thousands. Eric Olson, Andrew Selee, and David A. Shirk, *Shared Responsibility: U.S.-Mexico Policy Options for Combating Organized Crime*. Washington, DC; San Diego, CA: Mexico Institute, Woodrow Wilson International Center for Scholars; Trans-Border Institute, University of San Diego, 2010.

¹⁰ These drugs included marijuana, cocaine, crack cocaine, heroin, hallucinogens, inhalants, and nonmedical use of prescription psychotherapeutic drugs. Marijuana was the most commonly used illicit drug, with 14.4 percent current users. Over 26 percent of high school students had tried marijuana by their senior year, compared to 4 percent for cocaine, 35 percent for cigarettes, and 58 percent for alcohol. Drug use was significantly higher among unemployed persons, of whom 18.3 percent were current illicit drug users. *Results from the 2007 National Survey on Drug Use and Health: National Findings* (NSDUH Series H-34, DHHS Publication No. SMA 08-4343). Substance Abuse and Mental Health Services Administration, Office of Applied Studies. Rockville, MD (2008).

¹¹ Black markets can make goods either cheaper or more expensive. When a good is legally available but overpriced (as with pirated music or cigarettes in Canada), black market prices tend to be lower than the "free" market. However, when a good is illegal and, especially, controlled by a small group or cartel (as with illicit drugs), its price tends to become inflated relative to what it might be on the free market. While U.S. official estimates suggest that

marijuana represents 60% of drug profits, a recent Rand study places total Mexican DTO drug profits from the United States at around \$6-7 billion, with up to a third coming from marijuana. Kilmer, et al. (2010). Michael Smith, "Banks Financing Mexico Gangs Admitted in Wells Fargo Deal," In *Bloomberg News*, 2010. <http://www.bloomberg.com/news/2010-06-29/banks-financing-mexico-s-drug-cartels-admitted-in-wells-fargo-s-u-s-deal.html>.

¹² Estimates for the number of drug shops along the border vary widely. In January 2008, Mexican Ambassador Arturo Sarukhán indicated that "[b]etween Texas and Arizona alone, you've got 12,000 gun shops along that border with Mexico." (Corchado and Connolly 2008). More recent estimates place the figure around 6,700, around three gun dealers for every mile along the border (Serrano 2008). Estimates for the total number of gun dealers in the United States also vary, but by all accounts they have declined dramatically over the last decade—from 245,000 to 54,000—thanks to tighter regulations Alexandra Marks, "Why Gun Dealers Have Dwindled," *Christian Science Monitor*, March 14, 2006. See also: Jon S. Vernick, Daniel W. Webster, Maria T. Bulzacchelli, and Julie Samia Mair. "Regulation of Firearm Dealers in the United States: An Analysis of State Law and Opportunities for Improvement," *The Journal of Law, Medicine, and Ethics*. Volume 34, Issue 4, pp. 765-775. According to the 2004 national firearms survey conducted by Hepburn et al. (2007), there are an estimated 218 million privately owned firearms in the United States. However, only one in four U.S. citizens (26 percent) and two in five households (38 percent) actually owned a firearm. This means that the vast majority of firearms are owned by a small percentage of the population, with nearly half of all individual gun owners (48 percent) possessing four or more weapons and only 20 percent of owners holding 65 percent of all guns.

¹³ The Government Accountability Office reports that \$1.32 billion (84 percent) of Mérida Initiative funding was slated for Mexico, while \$258 million (16 percent) was slated for Central America. United States Government Accountability Office, *Mérida Initiative: The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures*, Washington, DC, 2010, p. 4.

¹⁴ Query to Ambassador Arturo Sarukhan at presentation to the Mexico Institute of the Woodrow Wilson Center in 2010.

¹⁵ Clare Ribando Seelke and Kristin M. Finklea, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, Washington, DC, 2010.

¹⁶ In addition, more than 3,000 Immigration and Customs Enforcement (ICE) agents were sent to the border to bolster efforts to combat arms and cash smuggling by drug traffickers.

¹⁷ The number of Border Patrol agents alone increased from 2,900 in 1980, to 9,000 in 2000, to more than 20,000 by 2010. This has squeezed "mom-and-pop" smuggling operations out of the business, allowing more dangerous and powerful DTOs to take over. As a result, the Border Patrol has experienced more violent attacks (including fatalities) and hundreds of cases of corruption in its ranks since 2003. Ralph Vartabedian, Richard A. Serrano, and Richard Marosi, "The Long Crooked Line; Rise in Bribery Tests Integrity of U.S. Border," *Los Angeles Times*, October 23, 2006; Arrillaga, Pauline, "Feds Struggle with Border Patrol Corruption," *Associated Press*, September 22, 2006; Archibold, Randal C. and Andrew Becker, "Border Agents, Lured by the Other Side," *New York Times*, May 27, 2008.

¹⁸ The U.S. economy to loses \$3.74 billion of cross-border economic activity and over 33,000 jobs each year at the San Diego-Tijuana corridor alone, the entry point for 12 percent of overall U.S.-Mexico trade. San Diego Association of Governments, *Economic Impacts of Wait Times at the San Diego-Baja California Border*, Final Report, January 19, 2006. See also: Haralambides, Hercules E. and Maria P. Londono-Kent, "Supply Chain Bottlenecks: Border Crossing Inefficiencies Between Mexico and the United States," *International Journal of Transport Economics*, Vol. XXXI, No. 2, June 2004.