

Statement of
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Subcommittee on Criminal Justice
Drug Policy and Human Resources

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"The Extent and Impact of Narcotics Trafficking on the International Border, The Response of Federal Law Enforcement Agencies in Deterring Drug Smuggling, and The Coordination Between Federal, State, and Local Agencies: Field Hearing in Las Cruces, New Mexico"

Executive Summary

The State of New Mexico law enforcement agencies are responsible for the interdiction and investigation of illegal drugs that are smuggled through a common border that is shared with the Republic of Mexico and contiguous with the West Texas/Northern Mexico border. Its proximity to these areas makes it a preferred location for smuggling narcotics, undocumented aliens and other contraband and presents a vulnerability to our national security.

New Mexico has been a major transshipment zone for illegal drugs that are smuggled and transported into the United States from Mexico. The quantities of illegal drugs transported through New Mexico, but destined to locations outside of New Mexico, far exceed the consumption rate within the state. New Mexico is now anticipating that more drugs will be funneled through the state because of the increase in enforcement activity in California and Arizona. Major Mexican Drug Trafficking Organizations control the transportation and wholesale distribution of drugs that are transshipped throughout the State of New Mexico.

Combined law enforcement cooperative efforts in New Mexico over the past years have proven to be effective and produced many positive statistical results. However, with the limited state and local law enforcement resources, a dire need exists for the Federal Government to provide enhanced personnel and funding resources in order to adequately address the drug threat that exists in New Mexico and severely impacts the national security.

Introduction

Chairman Souder, Congressman Pearce and distinguished members of the Subcommittee, and honored guests; it is indeed my distinct pleasure to appear before you today. My name is Errol J. Chavez, the Director of the New Mexico High Intensity Drug Trafficking Area (NM

HIDTA). On behalf of the members of NM HIDTA, I would like to thank this subcommittee for your continued support of the HIDTA and its mission.

The Extent and Impact of Narcotics Trafficking on the International Border

There is a notable increase in the amount of narcotics entering into the United States through New Mexico. Recent narcotic seizures are directly linked to the impact that the Mexican and the United States Governments are having on the heads of the Mexican Cartels. The results of our enforcement efforts have lowered the level of control of at least two Mexican Cartels, while increasing the level of control of two Mexican Cartel leaders, Ismael “Mayo” Zambada Garcia and Vicente Carrillo Fuentes, thus increasing the amount of narcotics entering the United States through New Mexico.

While the amount of Marijuana entering into the US remains constant, other narcotics trafficking is on the rise. There is evidence that a growing amount of cocaine is being funneled through New Mexico for distribution throughout the United States. Methamphetamine production in Mexico is also increasing and is entering through New Mexico for the US market. Heroin continues to be readily available. In New Mexico, the impact of narcotics trafficking has become increasingly significant.

The entire State of New Mexico is affected by these Mexican Cartels and each of the drugs they traffic through the state. Marijuana seizures continue to be made around the state. The marijuana market is dominated primarily by Mexican traffickers, but there is also evidence that marijuana is being grown in New Mexico. Marijuana is also being grown in California and Arizona and does cross New Mexico’s borders, but is usually destined for the northeastern coast of the US. Multi-ton Marijuana seizures occur annually along the southern New Mexican borders and the three Interstate arteries, I-40, I-25, and I-10. Marijuana is smuggled into New Mexico at the Ports of Entry (POE) and between the POEs. The exact location of the smuggling varies depending on the enforcement efforts of the Border Patrol Agents (BP) and the Customs and Border Protection Inspectors (CBP). In comparison to the other Southwestern Border States, New Mexico has fewer BP agents assigned to patrol the border between New Mexico and Mexico and fewer CBP Inspectors to man the POEs, thus allowing smugglers more opportunities to smuggle narcotics into New Mexico and therefore increasing the threat to New Mexico.

Cocaine Seizures are on the rise in New Mexico. The noticeable increase in cocaine related activity is directly related to increases in law enforcement efforts in California and Arizona. Mexican Cartel leaders are reacting to the pressures placed on them by these law enforcement efforts and are adjusting their smuggling routes and practices to areas with fewer law enforcement capabilities, like New Mexico. The increase in cocaine seizures was first noted in early 2004 and is expected to continue to grow as the Mexican Cartels respond to the law enforcement efforts of California and Arizona.

Methamphetamine is of major concern to New Mexico as it is still the most favored drug for abuse. In general, Methamphetamine is produced in Mexico in its purest form and then smuggled into the United States in bulk quantities where it passes through New Mexico for distribution in other parts of the United States. Methamphetamine also comes into New Mexico

for personal use from mid-level distributors from Arizona and California. Additionally, methamphetamine is produced in small quantities in New Mexico by users, but in such small amounts, it only usually reaches the personal use level. The number of methamphetamine laboratories has more than doubled from 1998 through 2002. According to the El Paso Intelligence Center (EPIC) National Clandestine Laboratory Seizures System (NCLSS), 29 methamphetamine laboratories were seized in 1998, 47 in 1999, 48 in 2000, 74 in 2001, 109 in 2002, and 157 in 2003. Most of these laboratories were small operations designed to produce two ounces or less at a time, making methamphetamine more available. Nevertheless, the growing threat of small clandestine laboratories cannot be overlooked; especially given the environmental and health related issues associated with methamphetamine lab by-products, the high costs and manpower requirements involved in each cleanup, and the increasing number of residential fires associated with methamphetamine labs.

While a significant amount of narcotics simply passes through the state for distribution elsewhere, a reasonable amount remains in New Mexico for local distribution and consumption. Two counties in northern New Mexico, Rio Arriba County and Santa Fe County, rank number one and two in the nation for heroin overdoses per capita. Heroin abuse has been a persistent problem for generations, but the addict population continues to grow steadily as a result of the location of the main supplier. The primary source of supply for heroin is located in Nayarit, Mexico. The magnitude of the Heroin problem was best described in 1999 at the culmination of the Drug Enforcement Administration's Operation Tar Pit. Over 200 Heroin distributors were arrested in seventeen states, all of which were linked to the Nayarit source of supply. Since the arrests, statistics clearly show that the overdose rate in New Mexico dropped for a short period of time, but is now approaching peak levels despite valiant efforts to address the Heroin problem. In order to adequately combat the Heroin dilemma in New Mexico, added personnel and funding resources are desperately needed.

Pharmaceutical drugs produced in Mexico have also become a major concern in the United States. Prescription drugs are regularly purchased in Mexico by US citizens who cannot afford to pay the high costs of the drugs in the US. The underlying cause of the difficulties associated with pharmaceutical drugs purchased across the border is the lack of Mexican governmental control on the industry. Without the government controlling the industry, Mexican Cartels have assumed the control and operation of many Mexican pharmacies along the northern Mexican border. Drugs can be purchased without prescriptions. There is no quality control for pharmaceutical drugs; therefore, resulting in counterfeit drugs. There is no guarantee that the drugs consumers are purchasing have the same ingredients for what they were prescribed, thus jeopardizing the health of many underprivileged US citizens.

Mexican narcotic traffickers still launder their money in the US. There is evidence that some Mexican traffickers are purchasing properties under the names of family members or business "fronts" in order to conceal their profits; however, intelligence information indicates that it is quite apparent that the majority of the money is being driven across the border concealed in vehicles. Surrounding states have reported numerous bulk cash seizures in the millions of dollars that were destined for Mexico.

As a result of the implementation of the North American Free Trade Agreement (NAFTA), known drug traffickers are exploiting commercial trade to facilitate their drug smuggling activities. Drug traffickers are now directly involved with well-known legitimate trucking firms that are less likely to be targets of law enforcement scrutiny. They are using trade consultants to determine what merchandise moves most quickly across the border under NAFTA regulations. They are also owners or controlling parties in commercial trade-related businesses within the Mexican transportation infrastructure. Once an international drug smuggler succeeds in importing contraband into the US, the Southwest Border becomes a gateway for narcotics destined for major metropolitan areas. Drug traffickers obtain warehouses in West Texas and Southern New Mexico to “stash” their drugs and then recruit drivers from these areas to transport the drugs to various destinations throughout the US.

The BP is reporting an increase in the number of undocumented aliens entering the US through New Mexico. The increase of illegal drug seizures is congruent to the increase of undocumented aliens in the areas where these aliens travel. Undoubtedly, the Mexican narcotic traffickers are still using this method to smuggle their narcotics, but are now funneling the narcotics more frequently through New Mexico than other border states.

Response by Federal Law Enforcement Agencies

The shift in narcotic patterns from the country of Mexico has a serious impact within the State of New Mexico. The disruption of certain Mexican Cartels, specifically within Western and Eastern Mexico, has significantly increased the power of two Cartel leaders operating in Central Mexico. The shift in power has a direct effect on the amount of drugs entering the United States through New Mexico and West Texas. The leadership of these Mexican Cartels take the line of least resistance to smuggle their narcotics by choosing areas with fewer law enforcement personnel available to enforce the narcotic laws. New Mexico does not have enough Federal law enforcement presence to deter Mexican Cartels from smuggling their narcotics into the United States through New Mexico.

As Arizona continues to apply efforts on securing its border with Mexico, New Mexico must respond. Much of the land bordering Mexico in New Mexico is under the jurisdiction of the Bureau of Land Management (BLM). At present, there is only one BLM law enforcement ranger for the entire area and is based out of Las Cruces. A second ranger is expected to be placed in Deming in the near future. This should be noted because the public is at risk when they visit federal land. With the increase in the use of public land to smuggle drugs and illegal aliens, comes an increase in the level of damage to public land, which elevates the risk for many visitors and residents. We often hear comments from local citizens that they are fast losing confidence in the US Government’s ability to keep them safe while on federal land in New Mexico.

The CBP enforcement efforts in other states to clamp down on drug and alien smuggling through the international border have created a balloon effect, which New Mexico is presently experiencing. The pressure applied during Operation Gate Keeper in Southern California in the late 1990s and now during Operation Arizona Border Control (ABC) has forced the Mexican criminal organizations to funnel their drugs through New Mexico in order to avoid detection. The CBP does not have enough Border Patrol Agents between the POEs in New Mexico to

continue the enforcement efforts started in California and Arizona; thus, the CBP must rely on support from State and Local police agencies in a losing attempt to hold the line.

The Santa Teresa, New Mexico POE is the official crossing point for commercial traffic and is near a highway system that provides easy access to routes that can reach every major city in the United States. NAFTA has a major impact on this area. The openness of the NAFTA agreement curtails what would be normal inspections. International commercial truck traffic continues to increase, resulting in increases of the number of inspections at the POE. The CBP Inspectors' efforts and capabilities to thoroughly inspect each vehicle are compromised by time constraints imposed by the increased commercial traffic without an increase in the number of CBP Inspectors. The lack of a thorough inspection for each vehicle has increased the threat of contraband entering the US. Along with the CBP, the New Mexico State Motor Transportation Division (MTD) has five POEs in the state that intercept commercial traffic which results in drug seizures. A sixth POE is scheduled to open on Highway 54 in Oro Grande, New Mexico in 2004. It will capture commercial traffic coming into the State of New Mexico from El Paso, Texas.

The Drug Enforcement Administration (DEA) maintains a presence in New Mexico, but in their gallant effort to meet the demands from other Federal, State and Local law enforcement agencies, we find that they are overburdened and understaffed. The DEA needs more Special Agents and Intelligence Analysts in Albuquerque and Las Cruces in order to have a meaningful impact on the narcotic trafficking organizations operating in these areas. In addition to these offices, we find strong support within the New Mexico law enforcement community for the DEA to open Resident Offices in Deming, Roswell, Santa Fe and Farmington, New Mexico.

The change in the investigative priorities of the remaining Federal agencies with the authority to enforce the Federal Controlled Substance Laws has strained the DEA. Any change in priorities should take into account that the DEA is an investigative agency, not an interdiction agency. While investigative agencies such as the Federal Bureau of Investigation (FBI) and the Immigration and Customs Enforcement (ICE) continue to play a significant role in enforcing Federal narcotic laws in New Mexico, other priorities such as immigration and anti-terrorism reduce the time and personnel dedicated to narcotic investigations. More changes are expected at ICE which includes a realignment of personnel to the international border. The realignment is viewed as an improvement for our national security, but may not improve the US domestic drug problem. History clearly demonstrates that criminals will continue to provide drugs for abuse. If the priorities of the investigative agencies shift from enforcing the narcotic laws, then the DEA must be reinforced.

Another significant problem created by the shift in power of the Mexican Cartels is the current status of the Federal Judicial Court System in New Mexico. The US District Court in Albuquerque and the US District Court in Las Cruces have the highest caseload per judgeship in the nation. These Federal Judges need help to keep up with the pace set by the New Mexico law enforcement community.

The unchecked growth in the caseload of the Courts speaks volumes about the increased workload at the United States Attorney's Office (USAO) and the United States Marshals Service

(USMS). Like the Courts, DEA and BCP, the demand placed on the USAO and the USMS has not been addressed with much needed additional resources required to successfully accomplish their missions. The New Mexico State District Court has similar backlog issues. Increased drug and immigration enforcement along the Mexican borders with California and Arizona continue to displace the criminal element to the New Mexican border.

The lack of prison space is also a problem in New Mexico. There is not enough room to house all Federal or State prisoners. The state is considering releasing non-violent drug traffickers to make room for more violent drug traffickers. If this should happen, there is a real threat that the number of street dealers and drug users in New Mexico will increase significantly, thus creating a substantial opportunity for the Mexican Cartels. The Federal prison population has grown over 410% in the past four years. After a detainee is sentenced, the USMS removes the Federal prisoners from the county jail to the only Federal Bureau of Prison facility in New Mexico, a prison that is at maximum capacity.

How Well These Federal Agencies Are Coordinating Their Efforts With Each Other and With State and Local Agencies

The NM HIDTA has been able to bring all narcotic enforcement agencies together to work in task forces with a defined mission and focus in order to dismantle or disrupt significant targets for maximum impact. Coordination amongst the Federal agencies along the Southwest Border is outstanding. State and Local law enforcement agencies support the efforts of the Federal Government with the limited resources available to them. The HIDTA plays an important role in bringing additional resources and vital training to all of New Mexico's enforcement and intelligence programs and initiatives. Simply put, there is too much work for any one person or agency to be independent. In New Mexico, cooperation is a must for any successful operation.

The NM HIDTA Investigative Support Center (NMISC) is the centerpiece of all law enforcement agencies within the State of New Mexico. The NMISC provides for the collection and commingling of vital Federal, State and Local law enforcement personnel and databases that are available to assist in counterdrug investigations and interdiction. The NMISC provides event and case deconfliction for officer safety and enhanced intelligence; strategic intelligence for refined targeting and officer resource allocation; and operational analytical support for ongoing initiative-driven case activity through access to criminal and commercial databases. This support is available to every law enforcement agency in the state and is the investigative link to all other HIDTAs located throughout the US.

Conclusion

New Mexico is expecting a shift in the smuggling patterns of the Mexican Cartels operating along the US Southwestern border with Mexico. More drugs are expected to pass through New Mexico for distribution throughout the US. This does not mean that more drugs will be smuggled into the United States, but it does mean that more drugs than ever before will be funneled through New Mexico. To address the increase in drug smuggling and the rise in criminal activity in New Mexico, the Federal Government should continue to emphasize the

importance of enforcing the narcotics laws and provide the necessary staffing and resources desperately needed along the entire Southwest Border. Federal, State and Local police agencies in New Mexico are performing and coordinating their duties well, but are all severely understaffed and lack the resources to adequately contribute in the nation's efforts to stop narcotics from entering the United States.