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MEXICO'S GOVERNMENT BEGINS TO RETAKE NORTHEASTERN MEXICO

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DECEMBER 9, 2011

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Mexico's Government Begins to Retake Northeastern Mexico

I. All Enemies Are Equal

It is increasingly apparent that the government of Mexico is not playing favorites anywhere in the country, and is attacking any drug cartel it encounters or that government forces have sufficient intelligence to combat. While this has had a significant and disruptive effect on the drug trafficking environment, government pressure on cartels has also affected drug trafficking organizations (DTO),¹ causing the latter to savagely kill each other as they desperately attempt to maintain control of geographic turf.

Government attacks on the infrastructure of the Gulf cartel and the Zetas (a DTO once part of the Gulf cartel) in recent years are concrete examples of Mexico's efforts to retake Tamaulipas, Nuevo Leon, and Veracruz from the hands of the traffickers, regardless of which cartel is wreaking havoc in those northeastern states. Recent actions of the Mexican navy and army also appear to be a direct response to a request from the governor of Tamaulipas and others in the region for an increased federal government presence, and may represent a turning point in the balance of power between the cartels and the federal government in Mexico's northeastern border states.

The government efforts are the result of a counterdrug strategy enacted under "Operación Coordinada Noreste" (Operation Northeast Coordinated), which has consistently shown substantive results since its early-2010 launch and is contributing to the disarray and disunity among the cartels. The operation has significantly advanced the efforts of Mexico's military forces and provided a political boost for President Felipe Calderón. The results of the strategy may eventually turn the tide and allow the government to wrest control away from the cartels and back into the hands of elected officials, at least at the state level.

Another consequence of government success is the fact that an increasing number of important Gulf cartel figures have recently been arrested in the United States, particularly in Texas. The fact that these Gulf cartel lieutenants have been found in Texas raises legitimate fears that the Zetas could be hunting its enemies on American territory for the purpose of killing them,

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leading to spillover fears and possible collateral victimization of U.S. citizens, as occurs to citizens in Mexico.

The more Mexican government forces pressure, arrest, or kill cartel members, the more cartels have splintered into smaller, relatively independent groups. An environment in which approximately six traditional Mexican cartels operated cooperatively has transformed into a landscape where a number of independent groups are attempting to claim their piece of territory or carve out a piece of the drug trafficking action.

This evolution is similar to the experience in Colombia after the Cali and Medellin cartels were destroyed, leaving approximately two dozen remnants, or “bandas criminales,” in their wake. The phenomenon of “where there were few, now there are many” could result in more difficulty for counterdrug forces faced with the challenge of identifying the numerous new DTOs that result from the successful elimination of larger cartels. A new drug trafficking business model will likely emerge and evolve as the Zetas did—i.e., expand and leave traditional, unified, top-down, command-and-control cartel practices to the annals of yesteryear.

II. The Gulf Cartel—Another Internal Split

The Gulf cartel drug trafficking organization may be headed for an organizational split that pits key leadership figures in the organization against each other. This would mark the second time since the beginning of 2010 (when the Zetas split from the Gulf cartel) that the organization has divided into separate entities. The imminent split may lead to the emergence of at least two more separate DTOs emanating from the same seed: the “Metros” (loyalists) and the “Rojos” (separatists).

A split within the Gulf cartel will weaken the DTO and strengthen the Zetas, leaving the latter in a position to continue its attempts to become the dominant cartel in northeast Mexico. The implications of the Zetas solidifying its operations extend beyond simple control of drug trafficking routes. Zeta dominance will likely place it in a position to leverage the Gulf cartel's

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allies against the Gulf cartel, and may place further strains on federal and state officials as they attempt to restore lawful governance to the Northeastern region of Mexico.

With federal elections looming, the future of Mexico's Northeastern states may well be influenced by how much control the Zetas can exert and gain in the next 12 months. This timeline may be a factor in the government's current, visible efforts to capture and arrest cartel members, as well to dismantle and disrupt their activities, in northeastern Mexico.

III. The First Serious Gulf Cartel Fissure (Early 2010)

The first internal struggle within the Gulf cartel resulted from an early 2010 "fog-of-war" incident in which members of a cell headed by Gulf cartel plaza (area) boss Juan Reyes Mejia-Gonzalez, also known as "R-1" and head of the Rojos faction, were killed by Zeta sentries. This occurred when an armed Rojos team arrived in Reynosa and could not authenticate the password known to both Gulf cartel and Zeta members that was required to gain passage into the city. Though they admitted fault in the shooting, the Zeta leadership refused to comply with R-1's demand that they surrender the errant Zeta "shooters" to his hands for punishment. The ensuing standoff precipitated an organizational split that led the two DTOs to operate as separate entities and resulted in all-out war between the Gulf cartel and the Zetas, a conflict that continues to this day.

This fog-of-war event was at least the third in a series of events, including two previous intra-cartel kidnappings, that evidenced the significant friction between the Gulf cartel and the Zetas that developed after the January 2007 extradition of Gulf cartel chief Osiel Cardenas Guillen to the United States.

IV. The Gulf Cartel Stacks the Deck (Spring 2010)

In March 2010, soon after the division of the Gulf cartel and Zetas, the Gulf cartel announced the formation of an alliance with the Sinaloa and La Familia cartels in an effort rid northeastern Mexico of the Zetas. In December 2010, the new confederation, known as La Nueva Federación

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(LNF), issued a communiqué (titled “Segundo Mensaje Para El Pueblo de Nuevo León,” or “Second message for the people of Nuevo León”) warning that several of the municipal police departments in the Monterrey area were being controlled by the Zetas and that the LNF was working to rid the area of Zetas.

In that message, the Gulf cartel also claimed responsibility for grenade attacks directed against Nuevo León state police forces on December 29, 2010, and stated that the attacks were a warning for “corrupt police forces” in Monterrey, Nuevo León, “to align with La Nueva Federación.” In a veiled threat, the LNF said it was watching the Nuevo León state governor, and that the state government should stop being “puppets” of the Zetas.

V. The War Rages (2010-2011)

During the past two years, attacks by the Gulf cartel against the Zeta's interests and infrastructure, and Zeta attacks against the Gulf cartel, have left a bloody trail of killings, mutilations, beheadings, grenade attacks on corrupt police stations, hangings, and other atrocities throughout northeastern Mexico. In one particularly deadly episode, the Gulf cartel attacked Zetas who were taking refuge in corrupt Tamaulipas and Nuevo León state prisons. The Zetas then kidnapped and killed more than 180 innocent civilians traveling through Tamaulipas, fearing the victims were LNF personnel covertly working on behalf of the Gulf cartel. Depletion of cartel fighters on both sides led to prison breakouts to increase the ranks of both cartels. Carjackings against innocent civilians followed as both sides equipped their newly freed fighters.

VI. The Failing State of Tamaulipas (2011)

As the war raged, businesses and churches were burned to the ground, government forces were attacked, and many died as the cartels exacted revenge against the interests of the other. Meanwhile, the Zetas continued to evolve, growing from a regional menace to a Mexican national security threat that is now operating in nearly every state in Mexico, and in neighboring Guatemala, where it is firmly entrenched—so much that Guatemala has declared a near permanent state of emergency in order to confront the Zetas.

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The exponential growth of the Zetas has emboldened the organization, but at the same time has caused the dissolution of the formerly strict command-and-control discipline that was the trademark of an elite group that originally numbered in the dozens.

In its current form, the Zetas appear to have franchised its name to numerous independent criminals, and many "Zeta" cells have appeared throughout Mexico. These cells conduct a wide range of "traditional organized crime" activities, including kidnappings for ransom, extortion of businesses, theft and resale of petroleum products, sale of pirated music CDs and movie DVDs, control of liquor sales, control of street-level drug distribution and sales, control of prostitution activities, and many other vice crimes.

It is not known if these activities are under the direct daily control of Zeta boss Heriberto Lazcano-Lazcano ("Zeta Uno," or "Z-1"), for he has gone underground, successfully hiding and apparently "off the grid." His movements are frequent, and resulting reports and sightings have placed Lazcano in numerous locations, making him the "hard" (or highly elusive) target that he wishes to be.

The states of Tamaulipas, Nuevo Leon, and Veracruz appear to have suffered most from the Gulf cartel-Zeta warring. On May 9, 2010, Julio Cesar Almanza Armas, vice-president of the Federation of Business Interests in Tamaulipas, requested that the Mexican federal government enact a state of emergency, allowing the Mexican army to take complete control of the political and administrative responsibilities of the municipality of San Fernando, thereby rescuing the town from criminal activity until civil order and public safety are restored.

Almanza noted that social and legal conditions in the area called for a state of emergency declaration, and he invoked Article 29 of the Mexican constitution in support of his petition. Article 29 states that such a decree may be enacted in times when "there is grave disturbance to the public peace or any other situation that may place society in grave risk or conflict"—a situation that appears to be present in San Fernando, if not in the entire northeast Mexico region.

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On December 12, 2010, the governor of Tamaulipas, Eugenio Hernandez Flores, told the Mexican press that authorities in various municipalities in his state were unable to cope with the criminal activity they were experiencing, and he classified the area as “ungovernable.”²

VII. The Most Recent Strains Within the Gulf Cartel (Fall 2011)

When Gulf cartel chief Osiel Cardenas-Guillen was extradited to the United States in 2007, his absence caused a leadership vacuum and an escalation of friction between Gulf cartel and Zeta leaders. During this period, the Gulf cartel and the Zetas operated under a fragile accommodation until they eventually had enough of the pressure they put on each other; as explained earlier, they split into two separate organizations in early 2010.

Concurrently, the government of Mexico kept pressure on the Gulf cartel and killed Osiel's brother, Antonio Ezequiel Cardenas-Guillen, in November 2010. Until his death, Cardenas-Guillen, known as “Tony Tormenta,” was among a cabal of Gulf cartel leaders who had been running the organization.³ Ten months later, on September 2, 2011, the body of the second-in-command of the Gulf cartel, Samuel Flores-Borrego (also known as “Metro-3”) was found on a highway between Reynosa and Monterrey. The body of Eloy Lerma García, an active duty police officer from Díaz Ordaz, Tamaulipas, was found alongside Flores-Borrego. While not confirmed, these deaths were likely at the hands of the Zetas, who have been tirelessly working to eliminate their former patrons and take over the area of Mexico opposite South Texas.⁴

Despite the fact that he was a high ranking member of the Gulf cartel, Flores-Borrego also personally managed the area known as the “Frontera Chica,” which runs roughly from Miguel Aleman to Reynosa, Tamaulipas—illustrating the importance of the Texas-Mexico border area that the Zetas and the Gulf cartels have fiercely fought to control.

A situation similar to the Gulf cartel-Zeta split of 2010 is emerging again within the Gulf cartel, as mentioned earlier. While it has gone largely undetected, in the three months since Flores-Borrego's death, there has been significant infighting within Gulf cartel ranks, and a power

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struggle is under way, specifically between the Metros or loyalist subordinates of Metro-3, and the Rojos, another Gulf cartel faction headed by Juan Reyes Mejia-Gonzalez, also known as R-1.

As evidenced by his challenge to the Zetas during the fog-of-war incident, Mejia continues his boldness by challenging the remnants of the Metro-3 faction. This further indicates that R-1 has significant power, standing, and resources of his own, and that he is not afraid to confront anyone, not even his superiors within the Gulf cartel.

The pressure generated by the loyalist Metro-3 faction, as well as the government forces that are chasing him, could motivate R-1 to eventually merge with the Zetas, since it is unknown if his faction is strong enough to effectively grow into a new cartel or if he is capable of successfully beating back the Zetas and the Mexican government at the same time.

Though it would take some bargaining and accommodation between the Zetas and R-1, “stranger bedfellows” have emerged in the drug cartel wars, and alliances that were thought impossible have surfaced when least expected. Should an R-1 and Zeta merger actually come to pass, the Gulf cartel would certainly be destroyed and cease to exist as a significant DTO in northeast Mexico, the territory that has been its home base and from which it has generally not strayed, in contrast to the Zetas.

VIII. Attacking Critical Nodes—The Government Begins to Re-take Northeastern Mexico

Since the Gulf cartel-Zeta split, combined Mexican military forces—primarily the navy and the army—have poured thousands more soldiers, sailors, and Marines into northeastern Mexico. The forces have had significant success, rounding up many Gulf and Zeta cartel plaza bosses, disrupting “halcones” (lookout) networks, and dismantling a significant part of the combined Gulf and Zeta communications infrastructure.

Gulf cartel infighting has ironically created opportunities for the Mexican government by generating actionable intelligence that has led to a better understanding of the workings of the

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cartels operating in the region. It is noteworthy that this understanding has led to the development of an operational strategy that is having a significant and disruptive effect on the cartels.

For example, in early September 2011, the Mexican navy dismantled an important piece of Zetas infrastructure when it seized a telecommunications system and arrested 80 Zeta members, including six policemen, in Veracruz, Veracruz.⁵ Veracruz, which lies on the lower arch of the Gulf of Mexico between the tip of Texas and the Yucatan Peninsula, has experienced significant infighting between the Gulf cartel and the Zetas since the two split in 2010.

Mexican navy spokesman Jose Luis Vergara said military forces seized more than a dozen antenna towers that had been erected in several cities within the state of Veracruz to provide communications capabilities for both the Gulf and Zeta DTOs. That particular subsystem operated from a central base in Veracruz and reached part of the neighboring state of Tabasco. The dismantled network is thought to be part of a larger communications infrastructure erected by the Gulf cartel (when the Zetas were subordinate to the Gulf cartel) and that enabled real-time, handheld DTO communications from roughly Ciudad Acuña, Coahuila (across from Del Rio, Texas) in the northwest, to the Yucatan Peninsula to the east. This communications network, which is now largely disabled, previously allowed for continuous DTO command-and-control management of cross-border cartel operations.⁶

During the first weeks of October 2011, Mexican navy elements also dealt a heavy blow to the Gulf cartel in northeast Mexico, killing 10 and wounding 22 of their fighters, some of whom may have been members of the Rojos faction. As a result of these events, R-1 is reportedly on the run and in hiding.⁷

On October 30, 2011, elements of the 8th military zone of the Mexican army dismantled another part of the Gulf cartel and/or Zeta radio network in Reynosa, Tamaulipas (across from McAllen, Texas). In that operation, the army captured 21 antennas, 22 repeaters, 18 duplexes, 14 radios, and other communications equipment. The successful undertaking further disrupted DTO communications, a critical node in any cartel business infrastructure.⁸

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IX. Conclusion

The next 13 months will be a critical time for the government of Mexico as it attempts to decimate the larger cartels and snip emerging DTOs “in the bud.” It will also be a period in which cartels or their remaining subgroups will try to consolidate power so they can attempt to corrupt the new, incoming administration officials who will take office in January 2013. As a result, 2012 will be a period of intense scrutiny as the global partners of Mexico closely watch how the federal and state governments fare in their bid to reestablish government control of key territories represented by the states of Nuevo Leon, Tamaulipas, and Veracruz, among other areas of the Mexican republic that are steeped in U.S., Canadian and other foreign investment.

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Notes

1. A “cartel” is traditionally defined as a larger organization that is composed of a group of drug trafficking organizations (DTOs) that have banded together for a common cause. Various media outlets have interchangeably used the term “DTO” and cartel. Even though the Zetas are a large DTO, and do not informally qualify under traditional law enforcement targeting definitions as a cartel, the terms DTO and cartel are used interchangeably in this paper.

2. Gary J. Hale, “A ‘Failed State’ in Mexico: Tamaulipas Declares Itself Ungovernable” (report for the James A. Baker Institute of Policy Policy, Rice University, July 26, 2011), <http://www.bakerinstitute.org/programs/drug-policy>.

3. Grupo Savant, “The Demise of Tony ‘Tormenta,’” November 6, 2010, http://www.gruposavant.com/The_Demise_of_Tony_Tormenta_06NOV10.pdf.

4. “Abaten a el ‘M3’ en Tamaulipas,” *El Porvenir.mx*, September 3, 2011, http://www.elporvenir.com.mx/notas.asp?nota_id=522258.

5. “Zetas Drug Cartel Communications Dismantled By Mexican Navy,” *Huffington Post*, September 9, 2011, http://www.huffingtonpost.com/2011/09/09/zetas-drug-cartel-me'ico_n_955813.html.

6. United States vs. Jose Luis del Toro Estrada aka “*Tecnico*,” United States District Clerk, Southern District of Texas, Case No. H-08CR616, plea agreement March 18, 2009.

7. Email exchange with news reporter (name withheld), November 3, 2011.

8. “Soldiers Seize Antennas and Radio Communications Equipment in Reynosa, Tamaulipas,” *Historias del Narco*, September 30, 2011, <http://www.historiasdelnarco.com/2011/10/asegura-ejercito-21-antenas-y-equipo-de.html>.