



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF NATIONAL DRUG CONTROL POLICY  
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# **“Narcos: Transnational Cartels and Border Security”**

United States Senate  
Committee on the Judiciary  
Subcommittee on Border Security and Immigration

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226 Dirksen Senate Office Building

Statement of:  
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Chairman Cornyn, Ranking Member Durbin, and members of the Subcommittee, thank you for inviting me to discuss the threat posed to the United States by Mexican Transnational Criminal Organizations (TCOs), and cooperation between the United States and Mexico to address drug policy issues in both countries.

## **Background**

On February 9, 2017, President Trump signed Presidential Executive Order 13773, *Enforcing Federal Law with Respect to Transnational Criminal Organizations (TCOs) and Preventing International Trafficking*, which states that TCOs and subsidiary organizations, including drug cartels, represent a threat to the safety of the United States and its citizens.<sup>1</sup> Mexican TCOs derive their primary source of economic power from the illicit production, movement, and sale of illegal drugs. Drugs provide the means for Mexican TCOs to employ military grade weapons systems, seek to corrupt justice and security officials, and expand their control of criminal activities in Mexico and in U.S. markets, making them the greatest criminal threat to the United States.<sup>2</sup>

Mexico is currently the primary supplier of heroin to the United States. Mexican drug traffickers cultivate opium poppy and produce heroin in Mexico, then smuggle the finished product into the United States.<sup>3</sup> Opium poppy cultivation in Mexico has increased substantially in recent years, rising from 32,000 hectares in 2016, with an estimated potential pure heroin production of 81 metric tons, to 44,100 hectares in 2017, with a potential production of 111 metric tons of pure heroin.<sup>4</sup>

In 2017 more than 70,200 Americans, or approximately 192 people each day, died from a drug overdose.<sup>5</sup> Opioids – a category of drugs that includes heroin, prescription pain medicines like oxycodone, oxymorphone, and hydrocodone, and illicitly produced synthetic opioids like analogues and U-series drugs – are having a considerable impact on public health and safety in communities across the United States. Of the overdose deaths in 2017, 68 percent (47,600) involved an opioid, and 22 percent (15,482) involved heroin.<sup>6</sup> The threat posed by heroin has continued to grow dramatically over the past several years. Since 2010, deaths involving heroin have risen five-fold, from 3,036 in 2010 to 15,482 in 2017.<sup>7</sup>

The opioid epidemic is being compounded by the reemergence of fentanyl, a powerful Schedule II synthetic opioid more potent than morphine or heroin.<sup>8</sup> Fentanyl and its many analogues are

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<sup>1</sup> Presidential Executive Order 13773, available at: <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-enforcing-federal-law-respect-transnational-criminal-organizations-preventing-international-trafficking/>.

<sup>2</sup> Drug Enforcement Administration, National Drug Threat Assessment, October 2018.

<sup>3</sup> Ibid.

<sup>4</sup> U.S. Government Estimates. Office of National Drug Control Policy, “New Annual Data Released by White House Drug Policy Office Shows Record High Poppy Cultivation and Potential Heroin Production in Mexico,” at <https://www.whitehouse.gov/briefings-statements/new-annual-data-released-white-house-drug-policy-office-shows-record-high-popy-cultivation-potential-heroin-production-mexico/>.

<sup>5</sup> H Hedegaard, AM Miniño, and M Warner. Drug Overdose Deaths in the United States, 1999-2017. NCHS Data Brief No. 329. National Center for Health Statistics, Centers for Disease Control and Prevention. November 2018. Available at: <https://www.cdc.gov/nchs/data/databriefs/db329-h.pdf>.

<sup>6</sup> Ibid. See data table for Figure 4.

<sup>7</sup> Ibid.

<sup>8</sup> Zuurmond WW, Meert TF, and Noorduin H. (2002). Partial versus full agonists for opioid-mediated analgesia--focus on fentanyl and buprenorphine. *Acta Anaesthesiol Belg*, 53(3):193-201.

sometimes mixed with powder heroin to increase its effects or mixed with diluents and sold as “synthetic heroin,” with or without the buyers’ knowledge.<sup>9</sup> Increasingly, fentanyl and its analogues are pressed into pill form and sold as counterfeit prescription opioid pills. Fentanyl and its analogues used for illicit purposes come from several sources. The majority of the illicit fentanyl and fentanyl analogues in the U.S. market are smuggled into the country after being clandestinely produced in China, or to a lesser degree Mexico.<sup>10</sup>

Fentanyl is extremely dangerous and deadly. In 2017 there were more than 28,400 drug overdose deaths involving synthetic opioids other than methadone (SOOTM), a category that includes fentanyl. This number has increased more than fivefold from three years earlier (5,544 in 2014).<sup>11</sup> Moreover, overdose deaths involving opioids like fentanyl and its analogues are likely undercounted. Of deaths where drug overdose is cited as the underlying cause of death, approximately one in seven death certificates do not list the specific drugs involved in the fatal overdose.<sup>12</sup>

In 2017, there were more than 10,300 drug overdose deaths involving psychostimulants with abuse potential, a category that includes methamphetamine. This number has more than doubled from three years earlier (4,300 in 2014).<sup>13</sup> Methamphetamine availability is increasing throughout the United States, with the highest availability in the West and Midwest regions of the country. However, in recent years, methamphetamine has been increasing in prevalence in areas that have, historically, not been major markets for the drug, particularly the Northeast. Domestic production of methamphetamine has been decreasing since 2004, while Mexican TCO production has increased. U.S. Customs and Border Protection reports the U.S. Southwest border remains the primary entry point for methamphetamine trafficked in to the United States. Seizures at the U.S. Southwest border of methamphetamine have also steadily increased since 2012, with the majority of seizures occurring in the San Diego corridor.<sup>14</sup>

In 2017 there were more than 13,900 drug overdose deaths involving cocaine. This number has more than doubled from two years earlier (6,784 in 2015), caused by both combination with fentanyl, and increased availability.<sup>15</sup> The trend of annual increases in Colombian coca production directly relates to greater cocaine use in the United States, resulting in both an increase in overdose deaths, and other crime and violence associated with the drug trade. The number of new cocaine users in the United States has increased 81 percent since 2013, and

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<sup>9</sup> Drug Enforcement Administration. Strategic Intelligence Section. 2015 National Heroin Threat Assessment. DEA-DCT-DIR-039-15

<sup>10</sup> Drug Enforcement Administration, National Drug Threat Assessment, October 2018.

<sup>11</sup> H Hedegaard, AM Miniño, and M Warner. Drug Overdose Deaths in the United States, 1999-2017. NCHS Data Brief No. 329. National Center for Health Statistics, Centers for Disease Control and Prevention. November 2018. Available at: <https://www.cdc.gov/nchs/data/databriefs/db329-h.pdf>.

<sup>12</sup> Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999-2016 on CDC WONDER Online Database, released December, 2017. Data are from the Multiple Cause of Death Files, 1999-2016, as compiled from data provided by the 57 vital statistics jurisdictions through the Vital Statistics Cooperative Program. Accessed at <http://wonder.cdc.gov/mcd-icd10.html>.

<sup>13</sup> CDC’s National Center for Health Statistics WONDER extract on Dec. 9, 2018..

<sup>14</sup> Drug Enforcement Administration, National Drug Threat Assessment, October 2018

<sup>15</sup> CDC’s National Center for Health Statistics WONDER extract on Dec. 9, 2018.

overdose deaths involving cocaine have nearly tripled during that same timeframe. When cocaine was used in some combination with opioids, overdose deaths increased 110 percent.<sup>16</sup>

The dramatic increase in the availability and use of synthetic opioids, heroin, cocaine, and methamphetamine, the majority of which are either synthesized in or trans-shipped through Mexico, is a national security, law enforcement, and public health issue.<sup>17</sup> Based on the evolution and expansion of Mexican TCOs over the last 12 years of the previous two Mexican presidential administrations, these organizations and their drug trafficking activities will continue to jeopardize the health and safety of United States citizens.

### **Proliferation of Violence in Mexico and Mexican Transnational Criminal Organizations**

Mexico suffers the effects of illicit drug trafficking in the form of violence caused by TCOs. In 2017 Mexico recorded 29,168 homicides, or 24 murders per 100,000 residents, its most violent year since statistics began being collected.<sup>18</sup> The annual national murder rate for January to September 2018 was 27 murders per 100,000, with September 2018 being Mexico's second most violent month on record since 1997,<sup>19</sup> topped only by the 3,095 murders in July 2018.<sup>20</sup> Mexico's Executive Secretariat of the National Public Security System reported that in 2018, at least 95 Mexican citizens were murdered per day in Mexico.<sup>21</sup> Mexico's Army, whose role includes a counternarcotics mission, suffered 181 casualties from 2012 to 2018 in its efforts to control Mexican TCOs.<sup>22</sup>

The last two presidential administrations in Mexico, of Felipe Calderón (2006-2012) and Enrique Peña Nieto (2012-2018), confronted the internal security threat of Mexican TCOs that has propelled Mexico into an abyss of violence. President Calderón tasked the Mexican military to enforce the rule of law by targeting the organizational leadership of the TCOs during his administration. President Peña Nieto also enlisted the support of the Mexican military to combat Mexico's entire complex crime situation. More than 12 years of sustained action has resulted in the current fragmented, fractured, and diversified landscape of Mexican TCOs. It is estimated that there are over 200 subsidiary drug trafficking organizations within Mexico that are associated with the primary Mexican TCOs listed below:<sup>9,23</sup>

- Sinaloa Cartel or Guzmán-Loera Organization
- Jalisco New Generation Cartel
- Juárez Cartel or Vicente Carrillo Fuentes Organization

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<sup>16</sup> U.S. Government Estimates. Office of National Drug Control Policy Website, "New Annual Data Released by White House Drug Policy Office Shows Record High Cocaine Cultivation and Production in Colombia," Available at: <https://www.whitehouse.gov/briefings-statements/new-annual-data-released-white-house-drug-policy-office-shows-record-high-cocaine-cultivation-production-colombia/>.

<sup>17</sup> Presidential Executive Order 13773. Available at: <https://www.whitehouse.gov/presidential-actions/presidential-executive-order-enforcing-federal-law-respect-transnational-criminal-organizations-preventing-international-trafficking/>.

<sup>18</sup> Informe de víctimas de homicidio, secuestro y extorsión 2017, Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública, [http://secretariadoejecutivo.gob.mx/docs/pdf/victimimas/Victimimas2017\\_122017.pdf](http://secretariadoejecutivo.gob.mx/docs/pdf/victimimas/Victimimas2017_122017.pdf).

<sup>19</sup> SESNSP-Incidencia\_delictiva-Municipal, [https://datos.gob.mx/busca/dataset/sesnsp-incidencia\\_delictiva-municipal](https://datos.gob.mx/busca/dataset/sesnsp-incidencia_delictiva-municipal).

<sup>20</sup> SESNSP-Incidencia\_delictiva-Municipal, [https://datos.gob.mx/busca/dataset/sesnsp-incidencia\\_delictiva-municipal](https://datos.gob.mx/busca/dataset/sesnsp-incidencia_delictiva-municipal).

<sup>21</sup> Último año gobierno epn mas violento homicidios, <https://www.animalpolitico.com/2018/11/ultimo-ano-gobierno-epn-mas-violento-homicidios>.

<sup>22</sup> Secretaría de la Defensa Nacional, <https://www.gob.mx/sedena/acciones-y-programas/operaciones-contra-el-narcotrafico-6963>.

<sup>23</sup> CRS Report R41576, Mexico: Organizes Crime and Drug Trafficking Organizations.

- Gulf Cartel
- Los Zetas
- Beltrán Leyva Organization

It must be noted that Mexico TCOs' criminal activities entail more than the lucrative production, synthesis, and transportation of illicit drugs. Mexican TCOs have exploited vulnerabilities in Mexican governmental institutions at the federal and state levels, allowing their economic expansion into the areas of illegal mining, the extortion of producers of export-oriented agriculture, theft of gasoline and oil, and human smuggling. The profit earning potential of Mexican TCOs easily dwarfs the Mexican government's annual budgetary allocation to its security apparatus (US \$10 billion), which amounts to less than one percent of Mexico's annual budget (US \$1.05 trillion).<sup>24</sup>

### **The U.S. Federal Response**

*The National Opioids Coordination Group.* In October 2015, in coordination with the National Security Council (NSC), the Office of National Drug Control Policy (ONDCP) created the National Heroin Coordination Group (NHCG) to form the hub of a network of interagency partners charged with guiding and synchronizing interagency activities aimed at disrupting the heroin and fentanyl supply systems, many of which fund Mexican TCOs. Since then, the NHCG has tried to effect positive changes in U.S. domestic markets through focused Federal counterdrug actions taken on the front end of the supply chain. Two months ago, ONDCP Deputy Director James Carroll renamed the NHCG the National Opioids Coordination Group (NOCG), in recognition of the expansive nature of the crisis.

*Bilateral Engagement.* The Governments of the United States and Mexico have developed a common understanding of the impact Mexican TCOs are having on both countries and view addressing this burden as a shared responsibility.<sup>25</sup>

In an effort to improve coordination between the United States and Mexico, the NOCG conducts numerous engagements with counterparts in the Government of Mexico to achieve its primary goals of:

- Completing the United Nations Office of Drugs and Crime (UNODC) Monitoring System of Illicit Crops in Mexico program, also known as MEXK-54, to develop a shared understanding of the opium yield in Mexico. This will be the first yield study in more than 15 years;
- Completing the Department of State Bureau of International Narcotics and Law Enforcement Affairs (DOS/INL)-funded and UNODC-implemented MEXW-34 program, which provides legitimate validation of Government of Mexico's opium poppy eradication statistics;
- Improving Mexico's ability to identify and neutralize illicit drug producing labs through Drug Enforcement Administration (DEA) and Department of State training; and
- Leveraging the foundational data obtained in the MEXK-54 Poppy Yield Study and MEXW-34 project to establish an agreed upon United States-Mexico poppy eradication

<sup>24</sup> Mexico's Security Conundrum, <https://theglobalobservatory.org/2018/05/mexicos-security-conundrum/>.

<sup>25</sup> Department of State, Secretary of State Mike Pompeo and Mexican Foreign Secretary Luis Videgaray- Joint Statements to the Press, <https://mx.usembassy.gov/secretary-of-state-mike-pompeo-and-mexican-foreign-secretary-luis-videgaray-joint-statements-to-the-press/>.

program, a shared eradication goal, and a joint strategy for intelligence-driven eradication in Mexico.

An additional mechanism for interaction with Mexico on drug issues has been the trilateral North American Drug Dialogue (NADD) and its associated deliverables, which bring together the Governments of the United States, Mexico, and Canada to expand counterdrug cooperation in North America. In addition, ONDCP engages directly with the Government of Mexico as a participant in high-level bilateral meetings including the Security Cooperation Group (SCG) and the Strategic Dialogue on Disrupting TCOs.

In 2016, as part of the MEXK-54 project, Mexico and the UNODC released a poppy cultivation estimate that aligned closely with that of the United States, which we view as an important accomplishment. In 2017 the MEXK-54 project initiated an opium yield study that is expected to be complete in summer 2019.<sup>26</sup> In addition, DOS/INL is working closely with the Government of Mexico under the MEXW-34 program to develop improved technological solutions for verifying poppy field locations, dimensions, and eradication. Continued engagement has led to several visits by U.S. personnel to eradication areas, thereby achieving an unprecedented level of transparency between the Governments of the United States and Mexico. One of NOCG's policy objectives for the summer of 2019 is to establish a bilateral goal for poppy eradication, based on mutually agreed upon cultivation and yield estimates, and an effective intelligence-driven eradication program using verifiable methods.

The country team at the U.S. Embassy in Mexico City has done a remarkable job fostering partnerships within the Government of Mexico, and increased information sharing continues to enhance this relationship. The United States continues to work with the Government of Mexico on important efforts under the Mérida Initiative, which includes providing non-intrusive inspection equipment for Mexican security forces, an effort that has already resulted in significant seizures of marijuana, heroin, cocaine, and methamphetamine. As part of the Merida Initiative but under the umbrella of the NADD, beginning in February 2018, training in support of Mexico's canine detection program was expanded from detecting marijuana, heroin, cocaine, and methamphetamine to include training canines in fentanyl detection as well.

U.S. Federal law enforcement agencies are aggressively addressing Mexican TCOs and the illicit drugs they traffic, both here and within Mexico. For decades, DEA and other agencies have co-located Special Agents with partners in Mexico, Central America, and South America to assist in criminal investigations targeting drug trafficking organizations, and to collaborate with counterparts in developing host nation capacities to conduct the full range of narcotics interdiction activities, targeting both traffickers and producers. Federal law enforcement agencies, in conjunction with the Department of State, are working with the countries who supply fentanyl and the precursor chemicals used in its manufacture, to stem the flow of these dangerous drugs and chemicals to the Western Hemisphere.

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<sup>26</sup> The MEXK-54 Project was initiated by the government of Mexico to develop the expertise and institutional capabilities required to produce illicit crop cultivation and drug production estimates. Military and civilian personnel from the Mexican Navy (SEMAR); the Mexican Army (SEDENA); the Attorney General's Office (PGR); and the Foreign Affairs Ministry (SRE) have been detailed to the program. MEXK-54 is funded by the United Nations Office of Drug and Crime (UNODC). In June 2016, the MEXK-54 team published the first imagery based estimate of Mexico's opium poppy cultivation (24,800 hectares). The ONDCP estimate for 2016 of Mexico's opium poppy cultivation was 28,000 hectares.

## **Outlook**

On December 1, 2018, President Andrés Manuel López Obrador was inaugurated as Mexico's 58<sup>th</sup> President. President López Obrador was elected with 53 percent of the vote, vowing to fight corruption and develop a new vision to improve Mexico's internal security. Since his election, President López Obrador's party has proposed legislation to legalize the possession, public use, growth, and sale of marijuana throughout Mexico. On November 14, 2018, President López Obrador presented his *National Peace and Security Plan*, outlining his strategy to address security concerns in Mexico. One of the plan's eight pillars is to develop a narcotics strategy. Although the specific details of this counterdrug strategy have not been released, we anticipate it will contain concrete and deliberate measures for directly addressing the TCO problem that affects both our countries.

## **Conclusion**

The dynamic nature of the illicit marketplace controlled by Mexican TCOs demands the United States continue to engage with Mexico to prevent the continued proliferation of illicit drugs originating from or transiting through Mexico. We cannot allow Mexican TCOs to continue to harness a reliable revenue source and further contribute to the negative effects of illicit drug use in the United States.

ONDCP will continue to work with our international partners, Federal Government departments and agencies, and our partners at the state, local and tribal levels to reduce the availability of illicit drugs in the United States, and decrease the profound effects they are having in our communities. ONDCP has worked with the NSC and the interagency to assist in coordinating the Federal government's approach during Mexico's political transition, and has begun efforts to rapidly establish positive relationships with the new Mexican administration. The American people should expect nothing less of us.

Thank you for the opportunity to testify today and for your commitment to this important issue.