MONEY, GUNS, AND DRUGS: ARE U.S. INPUTS FUELING VIOLENCE ON THE U.S.–MEXICO BORDER?

HEARING

BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY
AND FOREIGN AFFAIRS
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
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CONTENTS

Hearing held on March 12, 2009 ................................................................. 1

Statement of:
Selee, Andrew, Ph.D., director, Woodrow Wilson Center Mexico Institute;
Braun, Michael A ........................................................................................ 29
Diaz, Tom .................................................................................................. 40
Paton, Jonathan .......................................................................................... 38
Selee, Andrew ......................................................................................... 19

Letters, statements, etc., submitted for the record by:
Braun, Michael A., managing partner, Spectre Group International, LLC, and former Assistant Administrator/Chief of Operations, Drug Enforcement Administration, prepared statement of ........................................ 31
Diaz, Tom, senior policy analyst, Violence Policy Center, and author, "Making a Killing: The Business of Guns in America", prepared statement of ........................................................................ 43
Selee, Andrew, Ph.D., director, Woodrow Wilson Center Mexico Institute, prepared statement of ................................................................. 24
Tierney, Hon. John F., a Representative in Congress from the State of Massachusetts, prepared statement of ......................................................... 5
MONEY, GUNS, AND DRUGS: ARE U.S. INPUTS FUELING VIOLENCE ON THE U.S.–MEXICO BORDER?

THURSDAY, MARCH 12, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY AND FOREIGN AFFAIRS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. John F. Tierney (chairman of the subcommittee) presiding.


Staff present: Elliot Gillerman, clerk; Alex McKnight, State Department fellow; Andy Wright, counsel; Dave Turk, staff director; Jennifer Safavian, minority chief counsel for oversight and investigations; Frederick Hill, minority director of communications; Dan Blankenburg, minority director of outreach and senior advisor; Adam Fromm, minority chief clerk and Member liaison; Seamus Kraft, minority deputy press secretary; Tom Alexander, minority senior counsel; Mitchell Kominsky, minority counsel; Dr. Christopher Bright, minority senior professional staff member; and Glenn Sanders, minority Defense fellow.

Mr. TIERNEY. Good morning. I want to thank all of our witnesses for being here this morning and my colleague from Arizona as well, other Members as they appear.

This subcommittee has recently held a number of hearings on countries, chiefly Pakistan and Afghanistan, where terror runs rampant and our national security interests are generally perceived to be significant. Now I would like to paraphrase a brief introductory paragraph in a recent article printed in the Economist magazine. It says in recent months the people of a certain country have become inured to carefully choreographed spectacles of horror.

Just before Christmas, the severed heads of eight soldiers were found dumped in plastic bags near a shopping center in the capital of a state. Last month another three were found in an icebox near a border community. The country's president states that, “Organized crime is out of control.” He has pitted 450,000 army troops against the drug traffickers, but in 2008 more than 6,200 people died in the country in drug related violence—more than twice the number killed in 2007. More than 1,000 people have died so far in 2009. Troops and police have fought pitched battles against drug
gangsters armed with rocket launchers, grenades, machine guns, and armor-piercing sniper rifles such as the Barrett .50.

The article does not describe Pakistan or Afghanistan. It is a story about our neighbor to the south, Mexico, the world’s 12th largest economy, the U.S.’ second biggest trading partner, and an important oil supplier. The former Drug Czar General Barry McCaffrey says the picture there is dangerous and a worsening situation that fundamentally threatens U.S. national security. Last month Homeland Security Secretary Janet Napolitano said, “Mexico right now has issues of violence that are a different degree and level than we have seen before.” Some, most notably President Calderon, dispute such a grim picture but few if any contest that matters are certainly serious.

The Economist article notes that the drug industry is worth some $320 billion a year, a figure I note some of our witnesses agree with, and that the United States alone spends $40 billion each year trying to eliminate the supply of drugs. Attorney General Medina Mora is quoted in the article as noting that of 107,000 gun shops in the United States, 12,000 are close to the Mexican border and their sales are much higher than average. “Thousands of automatic rifles are bought for export to Mexico, which is illegal.”

Now, when they are talking about exporting rifles out there, they are talking about weapons such as the one we see on the table there. And they are firing ammunition, this is what we use when we are fighting, our troops are fighting in Afghanistan and Iraq. This is what the gangsters and drug people are using when they fight Mexican and U.S. police and national security people down along the border. In addition, cash is moving from America to Mexico.

So today this Subcommittee on National Security and Foreign Affairs focuses on this increasingly urgent national security challenge, one that is not half way around the world but one that is quite literally at our doorstep, the increasing violence along the U.S.-Mexico border. And that violence is increasingly spilling over onto U.S. soil.

The U.S. Justice Department called Mexican gangs the “biggest organized crime threat to the United States,” noting that they operate in at least 230 U.S. cities and towns. Phoenix is now the U.S. capital of kidnappings with more than 370 cases last year. The city of El Paso, TX sits a stone’s throw away from Ciudad Juarez where more than 1,550 people were killed in drug wars last year.

Border violence is receiving increased attention by the U.S. Government, including by a number of committees in this Congress. At those hearings, I am sure the Merida Initiative will be discussed along with other efforts by the United States to strengthen Mexican police and judicial institutions. I am sure questions will be asked about what the United States can do to ensure that this violence does not spread from south to north. I am sure there will be calls for our southern neighbors to get their house in order. But all of this is just one part of the equation.

Today’s hearing asks the central question: Are there laws and activities on the American side of the border fueling this violence in Mexico? According to the U.S. Bureau of Alcohol, Tobacco, Fire-
arms, and Explosives, 90 percent of the guns confiscated in Mexican organized crime originated in the United States, 90 percent.

And we are not just talking handguns and hunting rifles. William Newell, special agent in charge of the ATF station in Arizona noted, for example, "eighteen months ago we saw a spike in .50 caliber machine guns heading south." According to those ATF statistics, more than 7,700 guns sold in America were traced to Mexico in 2008, twice the 3,300 recorded the previous year and more than triple the 2,100 traced the year before that.

And how do Mexican cartels get the money to buy those guns? The Woodrow Wilson Center put it this way: "Profits from drug sales in the United States pump roughly $15 billion to $25 billion every year into illicit activities in Mexico." In short, U.S. drug use creates billions in illicit profits that are then used by Mexican cartels to buy U.S. guns. The profits and the guns, and drug precursors in some cases, find their way back across the border to Mexico and fuel the increasing violence.

This is a vicious cycle that we simply must break. Our kids, our schools, and our neighborhoods are quite literally at stake. And U.S. national security and the stability of our southern neighbor also hangs in the balance.

This subcommittee has conducted and will continue to conduct extensive oversight into the volatile situation in South Asia. But last month a Wall Street Journal article concluded: "Much as Pakistan is fighting for survival against Islamic radicals, Mexico is waging a do-or-die battle with the world's most powerful drug cartels. The parallels between Pakistan and Mexico are strong enough that the United States military singled them out recently as the two countries where there is a risk the government could suffer a swift and catastrophic collapse."

Here are the words of our own U.S. military. They say: "In terms of worst-case scenarios for the United States Joint Force, and indeed the world, two large and important states bear consideration for a rapid and sudden collapse, Pakistan and Mexico. The Mexican possibility may seem less likely but the government, its politicians, police, and judicial infrastructure are all under sustained assault and pressure by criminal gangs and drug cartels. How that internal conflict turns out over the next several years will have a major impact on the stability of the Mexican state. Any descent by Mexico into chaos would demand an American response based on the serious implications for homeland security alone."

As the Obama administration, the Congress, and the American people increasingly pay attention to the violence in Mexico, my hope is that we not only discuss the Merida Initiative and other efforts to help our southern neighbor, that we not only ask the Mexican Government to get its house in order, but that we also look inside our own borders. I hope that we look to our own drug consumption, to our own gun laws, and to our own anti-money laundering initiatives and ask what more we can do, what more we can do on our side of the border.

My hope is that this hearing will result in some concrete recommendations for the U.S. Congress to consider. We will hear from top experts who have examined and studied these issues. And we greatly appreciate all of their presence here today.
U.S.-Mexico border violence can only be solved if we look at all parts of the equation, if we examine everything that is fueling the fire. Let us examine our gun laws. Let us explore ways to cut down on U.S. drug consumption. Let us ask if we need more resources to root out money laundering. The peace and well-being of both of our countries and both of our peoples depends upon it. And with that I yield to the ranking member, Mr. Flake, for his comments.

[The prepared statement of Hon. John F. Tierney follows:]
Statement of John F. Tierney
Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives

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

As Prepared for Delivery

March 12, 2009

This Subcommittee has recently held a number of hearings on countries – chiefly Pakistan and Afghanistan – where terror runs rampant and our national security interests are generally perceived to be significant. Now I’d like to paraphrase a brief introductory paragraph of a recent article printed by the “Economist” magazine:

“In recent months the people of a certain country have become inured to carefully choreographed spectacles of horror. Just before Christmas the severed heads of eight soldiers were found dumped in plastic bags near a shopping center in the capitol of a state. Last month another three were found in an icebox near a border community. The country’s President states that ‘Organized crime is out of control.’ He has pitted 45,000 army troops against the drug traffickers, but in 2008, more than 6,200 people died in the country in drug-related violence, more than twice the number killed in 2007. More than 1,000 people have died so far in 2009. Troops and police have fought pitched battles against drug gangsters armed with rocket-launchers, grenades, machine guns, and armor-piercing sniper rifles, such as the Barrett 50.”

The article does not describe Pakistan or Afghanistan. It is a story about our neighbor to the South – Mexico! The world’s twelfth-largest economy, the United States’ second-biggest trading partner and an important oil supplier. Our former “drug czar,” General Barry McCaffrey says the picture there is dangerous and a worsening situation that fundamentally threatens U.S. national security. Last month, Homeland Security Secretary Janet Napolitano said, “Mexico right now has issues of violence that are a different degree and level than we’ve ever seen before.” Some, most notably President Calderon [call-der-OWN], dispute such a grim picture, but few, if any, contest that matters are serious.

The Economist article notes that the drug industry is worth some $320 billion a year, and that the U.S. alone spends some $40 billion each year trying to eliminate the supply of drugs. Mr. Medina Mora is quoted in the article as noting that of 107,000 gun shops in the U.S., 12,000 are close to the Mexican border and their sales are much higher than average. “Thousands of automatic rifles are bought for export to Mexico, which is illegal.” In addition, cash is moving from America into Mexico.
Today, the Subcommittee on National Security and Foreign Affairs focuses on this increasingly urgent national security challenge – one that’s not halfway around the world, but one that’s quite literally at our doorstep: the increasing violence along the U.S.-Mexico border.

And that violence is increasingly spilling over onto U.S. soil. The U.S. Justice Department called Mexican gangs the “biggest organized crime threat to the United States,” noting that they operate in at least 230 U.S. cities and towns. Phoenix is now the U.S. capital of kidnappings, with more than 370 cases last year. The city of El Paso, Texas, sits a stone’s throw away from Ciudad Juarez, where more than 1,550 people were killed in drug wars last year.

Border violence is receiving increased attention by the U.S. government, including by a number of committees in Congress.

At these hearings, I’m sure the Mérida [MARE-i-duh] Initiative will be discussed along with other efforts by the U.S. to strengthen Mexican police and judicial institutions.

I’m sure questions will be asked about what the U.S. can do to ensure this violence doesn’t spread from south to north.

I’m sure there’ll be calls for our southern neighbors to get their house in order.

But all of this is just one part of the equation. Today’s hearing asked the central question: are there laws and activities on the American side of the border fueling this violence in Mexico?

According to the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, 90 percent of guns confiscated from Mexican organized crime originated in the United States.... 90 percent.

And we’re not just talking handguns and hunting rifles. William Newell, special agent in charge of the ATF station in Arizona, noted, for example: “Eighteen months ago we saw a spike in .50-caliber machine guns heading south.”

The table in front of the room has an example of a .50 caliber weapon.

[Point out weapon.]

And here’s a bullet fired from this weapon.

[Hold up a .50 caliber round.]
According to ATF statistics, more than 7,700 guns sold in America were traced to Mexico in 2008 – twice the 3,300 recorded the previous year and more than triple the 2,100 traced the year before that.

And how do Mexican cartels get the money to buy these U.S. guns? The Woodrow Wilson Center put it this way: "profits from drug sales in the United States pump roughly $15 to $25 billion every year into illicit activities in Mexico." (emphasis added)

In short – U.S. drug use creates billions in illicit profits that are then used by Mexican cartels to buy U.S. guns. The profits and guns – and drug precursors in some cases – then find their way back across the border to Mexico and fuel the increasing violence.

This is a vicious cycle that we simply must break.

Our kids, our schools, and our neighborhoods are quite literally at stake.

And U.S. national security and the stability of our southern neighbor also hang in the balance.

This Subcommittee has conducted – and will continue to conduct – extensive oversight into the volatile situation in Pakistan. Last month, a Wall Street Journal article concluded:

Much as Pakistan is fighting for survival against Islamic radicals, Mexico is waging a do-or-die battle with the world’s most powerful drug cartels ... The parallels between Pakistan and Mexico are strong enough that the U.S. military singled them out recently as the two countries where there is a risk the government could suffer a swift and catastrophic collapse.

Here are the words of our own U.S. military:

In terms of worst-case scenarios for the [U.S.] Joint Force and indeed the world, two large and important states bear consideration for a rapid and sudden collapse: Pakistan and Mexico... The Mexican possibility may seem less likely, but the government, its politicians, police, and judicial infrastructure are all under sustained assault and pressure by criminal gangs and drug cartels. How that internal conflict turns out over the next several years will have a major impact on the stability of the Mexican state. Any descent by Mexico into chaos would demand an American response based on the serious implications for homeland security alone.

As the Obama Administration, the Congress, and the American people increasingly pay attention to the violence in Mexico, my hope is that we not only discuss the Mérida Initiative and other efforts to help our southern neighbor, that we not only ask
the Mexican government to get its house in order; but that we also look inside our own borders; that we look to our own drug consumption, to our own gun laws, and to our own anti-money laundering initiatives, and ask what more we can do ... what more we can do on our side of the border.

My hope is that this hearing will result in some concrete recommendations for the U.S. Congress to consider. We will hear from top experts who have examined and studied these issues, and we greatly appreciate all of our witnesses being here today.

U.S.-Mexico border violence can only be solved if we look at all parts of the equation; if we examine everything that's fueling the fire. Let's examine our gun laws, let's explore ways to cut down on U.S. drug consumption; let's ask if we need more resources to root out money laundering.

The peace and well-being of both our countries – and both our peoples – depends on it.
How to stop the drug wars

Prohibition has failed; legalisation is the least bad solution

A HUNDRED years ago a group of foreign diplomats gathered in Shanghai for the first-ever international effort to ban trade in a narcotic drug. On February 26th 1909 they agreed to set up the International Opium Commission - just a few decades after Britain had fought a war with China to assert its right to peddle the stuff. Many other bans of mood-altering drugs have followed. In 1998 the UN General Assembly committed member countries to achieving a “drug-free world” and to “eliminating or significantly reducing” the production of opium, cocaine and cannabis by 2008.

That is the kind of promise politicians love to make. It assuages the sense of moral panic that has been the handmaiden of prohibition for a century. It is intended to reassure the parents of teenagers across the world. Yet it is a hugely irresponsible promise, because it cannot be fulfilled.

Next week ministers from around the world gather in Vienna to set international drug policy for the next decade. Like first-world-war generals, many will claim that all that is needed is more of the same. In fact the war on drugs has been a disaster, creating failed states in the developing world even as addiction has flourished in the rich world. By any sensible measure, this 100-year struggle has been illiberal, murderous and pointless. That is why The Economist continues to believe that the least bad policy is to legalise drugs.

"Least bad" does not mean good. Legalisation, though clearly better for producer countries, would bring (different) risks to consumer countries. As we outline below, many vulnerable drug-takers would suffer. But in our view, more would gain.

The evidence of failure

Nowadays the UN Office on Drugs and Crime no longer talks about a drug-free world. Its boast is that the drug market has “stabilised”, meaning that more than 200m people, or almost 3% of the world’s adult population, still take illegal drugs - roughly the same proportion as a decade ago. (Like most purposed drug facts, this one is just an educated guess: evidential rigour is another casualty of illegality.) The production of cocaine and opium is probably about the same as it was a decade ago; that of cannabis is higher. Consumption of cocaine has declined

gradually in the United States from its peak in the early 1980s, but the path is uneven (it remains higher than in the mid-1990s), and it is rising in many places, including Europe.

This is not for want of effort. The United States alone spends some $40 billion each year on trying to eliminate the supply of drugs. It arrests 1.5m of its citizens each year for drug offences, locking up half a million of them; tougher drug laws are the main reason why one in five black American men spend some time behind bars. In the developing world blood is being shed at an astonishing rate. In Mexico more than 800 policemen and soldiers have been killed since December 2006 (and the annual overall death toll is running at over 6,000). This week yet another leader of a troubled drug-ridden country—Guinea Bissau—was assassinated.

Yet prohibition itself vitiates the efforts of the drug warriors. The price of an illegal substance is determined more by the cost of distribution than of production. Take cocaine: the mark-up between coca leaf and consumer is more than a hundredfold. Even if dumping weedkiller on the crops of peasant farmers quadruples the local price of coca leaves, this tends to have little impact on the street price, which is set mainly by the risk of getting cocaine into Europe or the United States.

Nowadays the drug warriors claim to seize close to half of all the cocaine that is produced. The street price in the United States does seem to have risen, and the purity seems to have fallen, over the past year. But it is not clear that drug demand drops when prices rise. On the other hand, there is plenty of evidence that the drug business quickly adapts to market disruption. At best, effective repression merely forces it to shift production sites. Thus opium has moved from Turkey and Thailand to Myanmar and southern Afghanistan, where it undermines the West’s efforts to defeat the Taliban.

**Al Capone, but on a global scale**

Indeed, far from reducing crime, prohibition has fostered gangsterism on a scale that the world has never seen before. According to the UN’s perhaps inflated estimate, the illegal drug industry is worth some $320 billion a year. In the West it makes criminals of otherwise law-abiding citizens (the current American president could easily have ended up in prison for his youthful experiments with “blow”). It also makes drugs more dangerous: addicts may heavily adulterated cocaine and heroin; many use dirty needles to inject themselves, spreading HIV; the wretches who succumb to “crack” or “meth” are outside the law, with only their pushers to “treat” them. But it is countries in the emerging world that pay most of the price. Even a relatively developed democracy such as Mexico now finds itself in a life-or-death struggle against gangsters. American officials, including a former
drug tsar, have publicly worried about having a "narco state" as their neighbour.

The failure of the drug war has led a few of its braver generals, especially from Europe and Latin America, to suggest shifting the focus from locking up people to public health and "harm reduction" (such as encouraging addicts to use clean needles). This approach would put more emphasis on public education and the treatment of addicts, and less on the harassment of peasants who grow coca and the punishment of consumers of "soft" drugs for personal use. That would be a step in the right direction. But it is unlikely to be adequately funded, and it does nothing to take organised crime out of the picture.

Legalisation would not only drive away the gangsters; it would transform drugs from a law-and-order problem into a public-health problem, which is how they ought to be treated. Governments would tax and regulate the drug trade, and use the funds raised (and the billions saved on law-enforcement) to educate the public about the risks of drug-taking and to treat addiction. The sale of drugs to minors should remain banned. Different drugs would command different levels of taxation and regulation. This system would be fiddly and imperfect, requiring constant monitoring and hard-to-measure trade-offs. Post-tax prices should be set at a level that would strike a balance between damping down use on the one hand, and discouraging a black market and the desperate acts of theft and prostitution to which addicts now resort to feed their habits.

Selling even this flawed system to people in producer countries, whose organised crime is the central political issue, is fairly easy. The tough part comes in the consumer countries, where addiction is the main political battle. Plenty of American parents might accept that legalisation would be the right answer for the people of Latin America, Asia and Africa; they might even see its usefulness in the fight against terrorism. But their immediate fear would be for their own children.

That fear is based in large part on the presumption that more people would take drugs under a legal regime. That presumption may be wrong. There is no correlation between the harshness of drug laws and the incidence of drug-taking; citizens living under tough regimes (notably America but also Britain) take more drugs, not fewer. Embarrassed drug warriors blame this on alleged cultural differences, but even in fairly similar countries tough rules make little difference to the number of addicts: harsh Sweden and more liberal Norway have precisely the same addiction rates. Legalisation might reduce both supply (pushers by definition push) and demand (part of that dangerous thrill would go). Nobody knows for certain. But it is hard to argue that sales of any product that is made cheaper, safer and more widely available would fall. Any honest proponent of legalisation would be wise to assume that drug-taking as a whole would rise.

http://www.hazelden.org.uk/ref/ref004_stop_drug_wars.htm

3/26/2010
There are two main reasons for arguing that prohibition should be scrapped all the same. The first is one of liberal principle. Although some illegal drugs are extremely dangerous to some people, most are not especially harmful. (Tobacco is more addictive than virtually all of them.) Most consumers of illegal drugs, including cocaine and even heroin, take them only occasionally. They do so because they derive enjoyment from them (as they do from whisky or a Marlboro Light). It is not the state’s job to stop them from doing so.

What about addiction? That is partly covered by this first argument, as the harm involved is primarily visited upon the user. But addiction can also inflict misery on the families and especially the children of any addict, and involves wider social costs. That is why discouraging and treating addiction should be the priority for drug policy. Hence the second argument: legalisation offers the opportunity to deal with addiction properly.

By providing honest information about the health risks of different drugs, and pricing them accordingly, governments could steer consumers towards the least harmful ones. Prohibition has failed to prevent the proliferation of designer drugs, dreamed up in laboratories. Legalisation might encourage legitimate drug companies to try to improve the stuff that people take. The resources gained from tax and saved on repression would allow governments to guarantee treatment to addicts - a way of making legalisation more politically palatable. The success of developed countries in stopping people smoking tobacco, which is similarly subject to tax and regulation, provides grounds for hope.

A calculated gamble, or another century of failure?

This newspaper first argued for legalisation 20 years ago (see original article). Reviewing the evidence again (see second article), prohibition seems even more harmful, especially for the poor and weak of the world. Legalisation would not drive gangsters completely out of drugs; as with alcohol and cigarettes, there would be taxes to avoid and rules to subvert. Nor would it automatically cure failed states like Afghanistan. Our solution is a messy one; but a century of manifest failure argues for trying it.

On the trail of the traffickers

Illegal drugs are causing havoc across the world. Over four articles, we look at attempts to curb supply and cut demand, beginning in Mexico.

In recent months, Mexican drug cartels have become known for carefully choreographed spectaculars of violence. Just before Christmas, a gang of heavily armed traffickers started a shopping spree in a small town in Mexico, killing 14 people and causing widespread panic. The attack was one of many in a country where drug-related violence is a daily fact of life.

Organized crime is out of control,” Felipe Calderón, Mexico’s president, said at the opening of a new anti-drug strategy in December. He launched an anti-drug plan, saying that since he took office in 2006, drug-related violence has killed over 10,000 people, many of them gang members who are desperate to protect their turf from rival cartels.

If this was intended to give the public a chance to see the drug trade’s impact, it fell short of expectations. The president’s speech was interrupted by gunshots, and the president himself was booed by the audience.

If this was intended to give the public a chance to see the drug trade’s impact, it fell short of expectations. The president’s speech was interrupted by gunshots, and the president himself was booed by the audience.

http://www.mingleville.com/viewtopic-32657_forums.html

3/26/2010
Taking back the street

The aim, says Eduardo Medina Mora, Mr Calderon’s attorney-general, is not to end drug trafficking “because that is unattainable”. Rather, it is to “try to break from organised crime the groups the economic power and armoury they’ve accumulated in the last 20 years, to take away their capacity to undermine institutions and to contain the state’s weakness”.

He points to progress. In the past two years the government has seized huge quantities of drugs (some 75 tonnes of cocaine, including 36 tonnes in a container, a world record for a single haul), money some $300m and some 27,000 weapons, including 17,000 assault rifles. It has also arrested more than 13,000 criminals, and though some 45 of those arrested seemed to have flared up or small-time drug dealers, they include two-killing kings and a thousand such “small gangsters”.

Brushing aside nationalistic slogans, Mr Calderon has ramped up the escalation of drug traffickers in the United States, seeking more than $100m in aid. They can’t go on running their businesses from American shores, so they have to come to Mexico and face the full force of the Mexican authorities. To stop them, the police force working on the border has been increased from 13,000 to 70,000 and they now face only to remote parts of the border. The message, says General García Luna, the minister for public security, is clear: “We will not let drugs cross our border.”

The violence, officials say, is a sign that the drug gangs are turning on each other in a fight to hang on to a share of a shrinking business. They stress that around 60% of the drug traffic is concentrated in just three of Mexico’s 32 states, if the federal police can get on top of them, they will go on leaving the rest of the country safe.

Mexico’s drug war will also be a test of Mr Calderon’s promise to break up the cartels by targeting their “financial nervous system” and the money laundering at the heart of drug-trafficking operations.

But the violence provides “favourabilities and surveillance” among citizens, says Enrique Krauze, a historian. After the revolution Mexico became “an island of peace, where refugees come from all over the world to escape violence.” Several senior police officers, including one near the commander of the federal police, have been murdered by the traffickers. On September 16 an eight-person crew were shot dead in Nuevo Laredo and on November 7 six ordinary citizens were killed by the violence going on around them. People who get involved in the drug trade have to pay the price for it, says President Calderon. The country has a “war on drugs” and it must be won.

The violence of the cartels is escalating and the government is determined to contain it. The question is whether the state can prevail against the traffickers.

Mr Calderon’s crackdown has inflicted serious damage on Mexico’s main trafficking corridor (see map). As many of the historic “cups” of these gangsters are killed or arrested or explosively, they are running to paranormal (wiping formulas). This is a huge market for new, deadly products, which are then sold to addicts.
The curse of federalism

Mexico may lack Colombia’s guerrillas, but it also lacks Colombia’s reasonably effective national police force. That's in part because in a federal country, each of the 31 states has its own police force with federal departments—and there are more than 500 municipal police forces. Under the PRI federalism was a legal fiction and the priority was to protect the ruling party. Now no longer the case, these state and municipal forces are answerable to local governments and parties, but federalization has helped bring a degree of uniformity and professionalism to the national force. The National Police Cadre has been reformed and the federal government has been successful in recruiting new cadres and promoting and training officers. The government has also been successful in reducing corruption and improving the services provided by the police force. A professional police force is vital to any government and its role is to maintain law and order, protect citizens, and ensure the safety of society. A strong and capable police force can be a key element in achieving these goals, especially in a federal system where state and local authorities may not always be able to effectively address security challenges. The Mexican police force has made progress in its efforts to modernize and professionalize, and this has been reflected in improvements in its performance and effectiveness. However, there is still work to be done, and the government must continue to invest in the training and development of its police officers to ensure that they are equipped to meet the challenges of maintaining law and order in a federal system.
These efforts have improved American safety, especially in the terms of reducing or intelligence that has helped in drug seizures and in the arrest of leading traffickers. Under the mandate, the United States will provide support for the seats in the United States to the Mexican authorities. The Mexican authorities have pledged to increase their efforts to combat drug trafficking and to ensure the safety of American citizens.

In the past, the United States has been concerned about the safety of its citizens in Mexico. However, recent efforts by the United States and Mexico have helped to reduce the number of drug-related crimes in the country. The Mexican authorities have been able to make arrests and seize drugs, which has helped to improve the safety of American citizens.

The United States has also been working with Mexico to improve the effectiveness of its drug enforcement agencies. This has included providing training and equipment to the Mexican authorities, as well as sharing information about drug trafficking patterns.

In conclusion, the efforts of the United States and Mexico to combat drug trafficking have been effective in improving the safety of American citizens in Mexico. The United States and Mexico should continue to work together to ensure that drug traffickers are brought to justice and that the safety of American citizens is protected.
Mr. Flake. Thank you, Mr. Chairman. As a Representative of a border state, this subject hits a little close to home. So I am glad that we have called this hearing and I look forward to hearing the witnesses.

In recent years, Mexican towns bordering the United States have experienced exponential growth in violence. The fighting, chiefly the result of drug cartels warring with each other and the Mexican Government, has cost 7,000 Mexican lives this past year alone. President Calderon is making a concerted effort to quell the violence. It does not appear, however, that the hostility will cease in the near term. On the contrary, reports indicate that this violence may be spreading.

Despite conflicting reports about how large these cartels actually are and whether the violence has already spilled into the United States, violence in Mexico is a serious issue that is ripe for this subcommittee's review. The purpose of this hearing is to examine ways in which the United States is fueling the violence. In other words, we are looking at ways, to explore ways, where we can be blamed.

The witnesses will testify that America's insatiable appetite for drugs and accessibility with weapons are the source of the violence. While I agree that cross-border sales of guns and drugs play a part, I do not believe that stricter gun controls on Americans and public service announcements will solve the problem. Indeed, we need to open a discussion on a broader spectrum of ideas.

First, the United States must focus on enforcing good laws on the books. In my home State of Arizona, it is illegal to directly or indirectly sell weapons to criminals, plain and simple. The same is true under Federal law. Instead of punishing law-abiding Americans with stricter controls, we need to punish those who break the law today.

In fact, U.S. law enforcement has had tremendous success in this regard. This Tuesday, a senior Immigration and Customs Enforcement official testified before another congressional committee. She said that in the last 31/2 years, ICE has made a concerted effort to focus on border security. In this period, the agency has made 4,830 arrests, and seized nearly 170,000 pounds of drugs, and captured numerous weapons at or near the border. State operations are also working.

Now, I believe that the enactment of comprehensive immigration reform would also make it easier for the legitimate movement of workers on a temporary basis as well as goods between the United States and Mexico. This would free law enforcement officials to focus their resources and to be more direct on the pressing crimes that potentially endanger our citizens.

We must determine the extent to which U.S.-funded anti-drug programs are succeeding in Mexico. To date, we have spent billions on that effort.

But instead of limiting the discussion to gun control and treatment programs, we must have a broad discussion of ideas. To that end, I have invited Arizona Senator Jonathan Paton to testify today. He has come a long way, and I appreciate that, with short notice. He is a seasoned legislator in Arizona and he is a life-long resident of Arizona. He is thoroughly familiar with these matters
and a leader in promoting legislative solutions to the cross-border issues. Thus, Senator Paton provides a unique perspective about ways in which border States such as Arizona are tackling these important issues.

We can agree that despite our best efforts to fight cartel operations on both sides of the border, violence has gotten worse. That said, serious dialog must take place between lawmakers and experts about real solutions that bolster security while protecting our rights. Anything less is counterproductive. Sadly, this hearing appears to be more of a discussion about stricter gun controls on Americans than it is about punishing those who break the law.

In these discussions today, we need to take care to point out that Mexico is not a failed state as national rhetoric might suggest. I believe that such characterizations are unhelpful at a time when our friends are going through tough times. President Calderon has taken bold steps to rid his country of corruption. I applaud his efforts and wish him every success, and I think we all should.

And I thank the chairman for holding this hearing. It has a great effect on my State of Arizona and also the security of the United States. And I look forward to the witnesses.

Mr. Tierney. Thank you very much. This subcommittee will now receive testimony from the panelists before us today.

As I mentioned in my remarks, there are other committees in this Congress that are, of course, looking at this matter from another perspective. People are dealing with the Merida Agreement, cooperation between the countries, and what other actions are taken on the national security/law enforcement side.

This is a hearing on yet one more element and one view of something additionally that can be done in cooperation with Mexico. And it will be followed, we presume, by a hearing with some of the administration’s people on what is actually being done and planned to be done by this administration.

We are going to receive testimony from three individuals whose biographies I will read in brief right now, four individuals, I should say.

Dr. Andrew Selee. Dr. Selee is the director of the Woodrow Wilson Center’s Mexico Institute, which recently published a January 2009 report, “The United States and Mexico: Toward a Strategic Partnership.” Dr. Selee is an adjunct professor of government at Johns Hopkins University and previously taught at George Washington University. He serves on the board of the U.S.-Mexico Fulbright Commission and on the Independent Task Force on Immigration of the Council on Foreign Relations. And I am happy to note that he has also worked as a professional staff member here in the U.S. House of Representatives previously.

Mr. Michael A. Braun is the managing partner at Spectre Group International and is a former Drug Enforcement Agency Chief of Operations and Assistant Administrator. As such, he was responsible for leading the worldwide drug enforcement operations of the Agency’s 227 domestic and 86 foreign offices. In June 2003, Mr. Braun was detailed to the Department of Defense and served on special assignment in Iraq as the chief of staff of the Interim Ministry of Interior. Mr. Braun has also served from 1971 to 1973 as an infantryman in the U.S. Marine Corps.
Mr. Jonathan Paton is a member of the Arizona State Senate. He founded a political consulting firm in Tucson called Paton and Associates and has worked with numerous clients in State and local races as well as on initiative campaigns. He also volunteered for active duty in support of Operation Iraqi Freedom from September 2006 until February 2007.

Mr. Tom Diaz is a senior policy analyst for the Violence Policy Center and is author of “Making a Killing: The Business of Guns in America.” His new book “No Boundaries: Transnational Latino Gangs and American Law Enforcement” will be released later this year. Mr. Diaz has a distinguished past including having consulted with the Justice Department and having also worked in the House of Representatives as counsel to the Judiciary Committee’s Subcommittee on Crime and Criminal Justice.

I want to thank all of you for making yourselves available today. Mr. Paton, thank you for your travels at the last minute and for sharing your substantial expertise.

It is the practice of this subcommittee to swear in all the witnesses. So at this time I ask you to please rise, raise your right hands.

[Witnesses sworn.]

Mr. Tierney. Thank you. The record will please indicate that all of the witnesses answered in the affirmative. All of your written statements, which have been introduced and read by the Members already, will be put on the record in their entirety.

So I welcome you to give whatever oral remarks you want to give. We try to limit it within 5 minutes, if possible. We don’t have a trap door to make you disappear if it doesn’t happen that way. But we do like to keep it as close to 5 minutes as possible so Members will have an opportunity to engage and ask questions and get more information in that respect.

So if we can, Dr. Andrew Selee, we appreciate your comments.

STATEMENTS OF ANDREW SELEE, PH.D., DIRECTOR, WOODROW WILSON CENTER MEXICO INSTITUTE; MICHAEL A. BRAUN, MANAGING PARTNER, SPECTRE GROUP INTERNATIONAL, LLC, AND FORMER ASSISTANT ADMINISTRATOR/CHIEF OF OPERATIONS, DRUG ENFORCEMENT ADMINISTRATION; JONATHAN PATON, MEMBER, ARIZONA STATE SENATE; AND TOM DIAZ, SENIOR POLICY ANALYST, VIOLENCE POLICY CENTER, AND AUTHOR, MADE A KILLING: THE BUSINESS OF GUNS IN AMERICA

STATEMENT OF ANDREW SELEE

Dr. Selee. Thank you, Mr. Chairman, for the opportunity to testify before this subcommittee. And thank you also for choosing a subject that is both timely and an approach that I think is very constructive. And let me also, if I can, recognize the ranking member as someone who has taken a courageous stand on a number of issues including immigration, which you referenced in your remarks as well.

The issue of organized crime tied to drug trafficking in Mexico is timely. We have seen in the past year over 6,000 deaths tied to drug trafficking in Mexico. This is something that grabs headlines.
It is something that is raising concerns on both sides of the border. Granted, much of the killing is going on in three cities in Mexico. A majority of killings are going on and a majority of the killings are taking place among people involved in drug gangs.

But the deeper issue that is going on is the presence of organized crime undermining rule of law in Mexico. And that is something that is very hard for a democratic society to tolerate. It is something that is of great concern to Mexicans. The Mexican Government has accurately defined this as the country’s greatest threat, and they have taken a valiant stance against organized crime while also trying to strengthen police and judicial institutions in Mexico. And I would argue that is probably the longest term challenge in Mexico, is creating judicial institutions and police forces that will really have credibility with citizens.

This issue is particularly constructive the way that it has been designed by this committee and by the chairman because Mexico matters to the United States. And this issue, particularly, in Mexico matters to the United States not just because Mexico is our neighbor, which we have talked about.

There is no question when something happens of this magnitude in a neighboring country, clearly it is important. We have a 2,000 mile border together. It is not merely important because Mexico is a strategic partner in the hemisphere, which they are. It is our second largest market for exports. It is a partner in a number of endeavors that we have around the world. But it matters also because this is an issue where we are deeply implicated, in which we are both deeply involved.

Organized crime does not know boundaries. Drug trafficking is an issue that is bi-national and, indeed, multi-national. Drug trafficking organizations in Mexico are nurtured by the appetite for narcotics on this side of the border, as the chairman has noted. U.S. drug sales account for as much as $10 billion to $25 billion each year that is sent back to Mexico to fuel violence and to support the cartels. Some of these proceeds are additionally used to buy weapons for drug trafficking organizations, usually in U.S. gun shows and gun shops.

And so when we see the violence across the border and its deeper consequences for democracy and rule of law in Mexico, one of the things we need to recognize is that our country houses those who knowingly and many times unknowingly finance and equip organized crime organizations that are behind it. And that means we also hold the key to at least part of the solution for this problem. Clearly much of the work needs to be done in Mexico, but clearly we are implicated as well. And there is much we can do to be supportive, and that we should be doing.

Fortunately, law enforcement cooperation between the governments of the United States and Mexico has increased significantly in recent years. We are now able to track and apprehend some of the worst criminals involved in the drug trade as they move from one country to another, and to share timely intelligence that helps disrupt the operations of drug trafficking organizations.

This was not necessarily true 10 years ago. There is a degree of cooperation that I think we would not have been talking about if we had this discussion 10 years ago. The approval by Congress of
the Merida Initiative last year has further deepened this cooperation by strengthening contacts and building trust between the governments to address this common threat together.

However, the most important efforts that the U.S. Government could take to undermine the reach and violence of these drug trafficking organizations need to be taken on this side of the border. And I want to underscore that. Though there is much we can do—the Merida Initiative is important; there is much we can do to help Mexico—the ways we can be most helpful are things we can do here that we will be talking about on this panel. There are three sets of actions that we could pursue more energetically that would be especially vital to undermining the cartels. And they are all things that we are doing now, but that we could be doing slightly differently and much more energetically.

All of these actions are in our national security interests because they will help stabilize the situation in Mexico and prevent any spillover into the United States. But they are also good domestic policy because they would make our communities in the United States safer and more secure.

And I want to make reference to three things that come out of this report. The chairman has already referenced it, “The United States and Mexico: Toward a Strategic Partnership.” We put it together with 100 specialists from the United States and Mexico over the past year. And so these ideas as much belong to other people as to me, but I will try and represent them here, the three points.

First, we can do a lot more to reduce the consumption of drugs in the United States. Demand for narcotics in this country is what drives the drug trade elsewhere in the hemisphere, including Mexico. There is no magic bullet to do this. I mean, as much as we can say this, there is not a single strategy that is effective in doing this alone.

And I also do not claim to be an expert on prevention and treatment of addictions. Other people know this better than I do. However, even a cursory look at recent Federal expenditures on narcotics show that we have increasingly emphasized supply reduction/interdiction while scaling down our commitment to lowering the consumption in the United States.

Available research suggests that investing in the treatment of drug addictions may actually be the most cost-effective way to drive down the profits that drug trafficking organizations get from their business by reducing the potential market. I think it is positive to hear that the new director-designate of ONDCP is also thinking along these lines, also talking about things like alternative sentencing for first time nonviolent offenders. These are the kinds of things that should be on the table for discussion.

And although many drug prevention programs have marginal effects on usage—which, to be honest, a lot of the things that have been tried in the past to keep people out of drugs have not always worked as well as they should—there is a lot that we can learn from very successful campaigns recently against tobacco use, which have been very effective. And it suggests that this is a good time to take that knowledge and invest it actively in prevention once again.
We cannot eliminate drug use or addictions. But it is worth making a concerted effort to drive down demand, not only for public health reasons, which would be enough, of course, but also because it hurts the bottom line of criminal organizations.

Second, we can do much more to disrupt the $10 billion to $25 billion that flow from drug sales in U.S. cities back to drug trafficking organizations in Mexico and fuel the violence that we are seeing. The Treasury and Justice Departments have done a great job of making it difficult to launder money in financial institutions.

However, the drug trafficking organizations have now turned to shipments of bulk cash, which have become the preferred way of getting their profits back across the border. Currently, no single agency is fully tasked with following the money trail in the way the agencies are tasked with pursuing the drugs themselves. CBP, ICE, DEA, FBI, Treasury, and local law enforcement are all part of this effort currently but are all primarily tasked with other responsibilities.

It is worth noting that it is both impractical and undesirable to try to stop this flow only at the border, something the ranking member will appreciate. Massive sweeps of cars exiting the United States for Mexico would disrupt the economic linkages between the border cities and probably yield few gains since much of the cash is divided up and taken across the border in small amounts.

The real challenge is developing intelligence capabilities to detect the flow of money as it is transported from one point to another in the United States as cash or when it enters financial institutions as money transfers, foreign exchange purchases, and bank deposits. We are much better at the second than at the first. There are recent experiences in pursuing terrorist financing that may be useful models for similar efforts to pursue the finances of drug traffickers.

And third and finally, we can do much more to limit the flow of high caliber weapons from the United States to Mexico. And you will hear from Tom Diaz on this much more eloquently than I can say it. But most of the high caliber weapons, probably more than 90 percent, that are used by drug trafficking organizations are purchased in the United States and exported illegally to Mexico.

The first thing that is vital to do is to increase the number of ATF inspectors at the border and to strengthen cooperation with other law enforcement agencies which often have relevant intelligence on this. The current prosecution by Arizona’s attorney general of a gun dealer who is knowingly selling arms to drug trafficking organizations is a powerful precedent, but it is only a first step. It shows the State of Arizona is taking this very seriously, but clearly this is something that needs a range of agencies to be supporting the ATF and local law enforcement.

The Obama administration could also limit criminals’ access to inexpensive assault weapons by restricting importation to the United States of some of the high caliber guns currently favored by traffickers, which has driven down their price in the market. There is much we can do to limit the access that criminals’ now have to high powered weapons without violating the spirit of the second amendment or harming legitimate interests of American hunters and gun enthusiasts.
Mr. Tierney. Thank you, Mr. Selee, I am going to stop you there only because I know the rest is just a windup.

Dr. Selee. Yes, exactly.

Mr. Tierney. And I hope you are aware that I appreciate that.

Dr. Selee. Thank you, Mr. Chairman.

[The prepared statement of Mr. Selee follows:]
“Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S.-Mexico Border?”
Testimony by Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center to the House Subcommittee on National Security and Foreign Affairs
Chairman: Hon. John Tierney
March 12, 2009

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

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

This issue matters to the United States not only because Mexico is our neighbor, with whom we share a 2,000 mile border, or because Mexico is a strategic partner in the hemisphere, and one with which we conduct much of our foreign trade; it also matters because the organized crime organizations that are causing death and destruction in Mexico have a presence in both of our countries and their trade is a truly shared problem. They are nurtured by the appetite for narcotics on this side of the border, with U.S. drug sales accounting for as much as $10 to 25 billion that is sent back to Mexico to fuel the cartels. Some of these proceeds are used to buy weapons for the drug trafficking organizations, almost always in U.S. gun shows and gun shops.
When we see the violence across the border — and its deeper consequences for democracy and rule of law — we should recognize that our country houses those who knowingly or unknowingly finance and equip the organized crime organizations behind it. And that means that we also hold the key to at least part of the solution of this problem.

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

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

First, we can do a lot more to reduce the consumption of drugs in the United States. The demand for narcotics in this country drives the drug trade elsewhere in the hemisphere, including Mexico. There is, of course, no magic bullet to do this — and I claim no particular expertise on the prevention and treatment of addictions. However, even a cursory look at recent federal expenditures on narcotics shows that we have increasingly emphasized supply reduction
and interdiction while scaling down our commitment to lowering consumption in the United States. Available research suggests that investing in the treatment of drug addictions may actually be the most cost effective way at driving down the profits of drug trafficking organizations by reducing their potential market. And although many drug prevention programs have marginal effects on usage, we have also learned a great deal in recent years about preventing addiction from the highly successful campaigns against tobacco use, which suggests that it is a good time to invest actively in prevention once again. We cannot eliminate drug use or addictions, but it is worth making a concerted effort to drive down demand not only for public health reasons but because it hurts the bottom line of criminal organizations.

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

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

Over the past few years our efforts to deal with drug trafficking organizations have been primarily focused on interdicting the supply of drugs abroad and at home. We should not abandon this strategy entirely – the Mexican government has requested assistance in addressing the threat that drug trafficking organizations present to their country as well as in building the kind of law enforcement and judicial institutions that will make it hard for drug trafficking organizations to operate in the long-term. However, it is time to adopt policies that are far more strategic and attack the sources of the profits and the weaponry that now fuel drug-related
violence. This requires looking at our domestic responsibilities for reducing consumption rates and disrupting the supply of money and guns. To do this will require both presidential and congressional leadership to get our foreign policy and domestic agencies working together to address this problem in a far more comprehensive way than we have done in recent years. There is no magic solution to the threats posed by organized crime, but a more comprehensive strategy would help reduce the reach and impact of these criminal organizations.

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

We are going to go, if we can, to Mr. Braun. And you are recognized, sir.

STATEMENT OF MICHAEL A. BRAUN

Mr. Braun. Good morning Chairman Tierney, Ranking Member Flake, other distinguished Members and staff. It is an honor for me to be here this morning.

Although I entered the private sector on November 1st, I spent 34 years in law enforcement, the last four of which were as the Chief of Operations with DEA. As you know, DEA, ICE, FBI have a lot of folks that are serving, a lot of employees that are serving in Mexico, working shoulder to shoulder with our counterparts.

And I lost a lot of sleep over the last 3 or 4 years as the violence began to unfold and escalate throughout Mexico. And I appreciate your interest in this subject. What I hope to do today is answer three questions: What is really going on in Mexico? What is causing it and what is behind it? And then finally, and I think most importantly, can Mexico win?

What is going on? There is a real drug war playing out in Mexico. You mentioned some of the numbers earlier. They are appalling—over 6,000 homicides this past year. 530 law enforcement officers, Mexican law enforcement officers, were murdered in the line of duty in Mexico last year. 493 of those were drug related homicides. For God’s sakes, over 200 beheadings, many of those with messages attached—messages, notes scribbled on paper stuffed in the mouths of those victims or carved in the foreheads—basically warning police that they needed to show more respect to the traffickers.

But what is really behind it? The cartels responsible in Mexico for this violence were finally swept up in the perfect storm beginning about 4 years ago. They began, which is not untypical, it has happened many times in the past, but there were some turf wars that flared up in various regions throughout the country as they began fighting and vying for lucrative plazas or lanes across our southwest border.

About 2 years ago, shortly after President Calderon took office, he initiated his campaign to break the backs of the cartels. I believe that not long after he took office, or possibly even before, he and his advisors, security advisors, determined very quickly that if they didn't take on the cartels in a meaningful way, they were going to lose control of the country, that the country was literally spiraling out of control.

So that added even more pressure to the traffickers. They are fighting amongst themselves. Now they have the government on their backs and the government is relentless taking the fight to them in a large way with over 45,000 military troops supplementing the ranks of Federal law enforcement, local and State law enforcement. It is a real fight going on.

About 5 years ago, DEA initiated what we refer to as the Financial Attack Strategy. We began reverse engineering every one of our cases. We did well for many years following the drugs, but we mandated that agents reverse engineer every one of their cases and begin following the money to tremendous benefits. In 2007, I don't
have the 2008 figures for you, but in 2007 the DEA seized about $500 million in cash that was destined for the southwest border. Of over $900 million cash seized globally that year, much of it was tied to Mexican drug trafficking organizations, adding more pressure on these cartels.

Another strategy that was employed almost simultaneously was the Drug Flow Attack Strategy, working very closely with Admiral Jim Stavridis at SOUTHCOM, Vice Admiral Joe Nimmich at JIATF/South. We started attacking the soft underbelly of the transportation infrastructure within these organizations and brought every possible piece of equipment to bear against these groups as they moved their drugs north. Consequently, enormous amounts of drugs have been seized over the last 3 years behind that strategy. So when you add that revenue denied in, now we are up to somewhere between $3.5 billion to $4 billion that we are denying these guys.

All of this has caused the Mexican cartels to incur a great deal of debt with the Colombian cartels that are providing all of the cocaine to them that they are now responsible for trafficking into the United States. And the Colombian cartels basically over the past year have denied time and time again drugs on consignment. They are now demanding money. The bottom line is the cartels in Mexico have never experienced this level of persistent, sustained pressure. It is well into its 4th year now and really, in a meaningful way, the last 2 years.

So the question is can Mexico win? There is no doubt Mexico can win. And I use Colombia as an example thanks to you and your colleagues through sufficient funding to Colombia. You know, Colombia just a few years ago was facing the same levels of violence in that country that Mexico is facing today. With funding from the United States and expert advisors that are working with our Colombian counterparts, they have turned the tide. If you look at what has happened to Colombia in the last 3 years, their numbers of all their indexed violent crimes have plummeted: their kidnappings for ransom, their homicides, their home invasions, their armed robberies. It is a success story.

There is still a great deal of drugs flowing out of Colombia. Quite frankly, it hasn’t slowed down one single bit. But the truth of the matter is, in Colombia, the government now has solid control of that country. And I am convinced that the Mexicans can experience the same thing if they don’t throw in the towel, if they hang in and continue to fight.

Thank you.

[The prepared statement of Mr. Braun follows:]
Statement for the Record

Thursday, March 12, 2009

By

Michael A. Braun
Managing Partner
Spectre Group International, LLC.

Before the Subcommittee on National Security & Foreign Affairs
Committee on Oversight and Government Reform
Regarding

“Money, Guns and Drugs: Are U.S. Inputs Fueling Violence in Mexico?”
Chairman Tierney, Ranking Member Flake, and Distinguished Members of the Subcommittee, thank you for the opportunity to testify today on the important drug related security issues facing both Mexico and the United States. Although drug related violence is not new to Mexico, the level of violence currently experienced by Mexico is unprecedented, and threatens not only Mexico’s national security interests, but our Country’s as well. The brave security forces in Mexico cannot afford to fail. If they do, Mexico will most likely devolve into a “narco-state,” and life on both sides of our shared border will undergo dreadful changes, unlike any our nations have ever faced.

Before entering the private sector on November 1 of last year, I served for almost four years as the Assistant Administrator and Chief of Operations with the U.S. Drug Enforcement Administration, and for one year as the Agency’s Acting Chief of Intelligence. I also served in a number of DEA offices throughout the United States, including service on both our Southern and Northern borders, on both our East and West Coasts, in the Midwest, as well as two years in various countries in Latin America. It is through my 34 years in law enforcement and as a veteran of the U.S. Marine Corps that I sit before you today, deeply concerned about our Nation’s important neighbor—Mexico.

What’s Currently Happening on the Ground in Mexico

Drug related violence is nothing new to Mexico, but the intensity and duration of hostility currently ongoing in Mexico is unmatched by any experienced in the past. Why? Because President Calderon and his Administration had the courage to admit that the Mexican drug cartels had become so powerful that they challenged the authority of the Mexican government at all levels, and were becoming more powerful than their government’s security institutions. The cartels had successfully destabilized democratic governance and eroded political stability, which is exactly what they had worked hard to achieve for many years.

The Calderon Administration was even more courageous when they developed and implemented a long-term strategy to take back Mexico from the traffickers. When this strategy was implemented, the cartels were already feuding amongst themselves for lucrative turf, as they had so many times in the past. When the cartels came under simultaneous attack by the full weight of Mexico’s security forces, over 45,000 Mexican military personnel bolstered by the country’s federal law enforcement services, they began to lash out like never before. There were over 6,000 drug related murders in Mexico in 2008, and 530 Mexican law enforcement officers were killed in the line of duty, of which 493 were drug-related homicides. To put that into context, 140 police officers were killed in the line of duty in the United States in 2008, of which 41 were killed by gunfire.

The level of brutality exhibited by the Mexican cartels and their assassination teams exceeds anything we have witnessed in Iraq and Afghanistan in the past. The number of beheadings last year alone numbered about 200, and some of those were police officers. The head of one police
officer was actually impaled on a spike on top of a wall in front of a police station with a note stuffed in the mouth warning the police to show more ‘respect’ for the traffickers. Traffickers have actually broken into the communications network of law enforcement in the Tijuana area to broadcast the identity of the next round of law enforcement officers to be targeted for assassination, only to find the bullet riddled bodies of those officers on the streets of Tijuana a few hours later.

Which takes us back to the question, “Why?” Roughly 90% of all the cocaine, heroin, methamphetamine and marijuana consumed in our Country enter the United States from Mexico. The money generated by the cartels’ global drug trafficking is staggering. The United Nations estimates that the drug trade between Mexico, the U.S. and Canada generates about $147 billion dollars annually, and the Office of National Drug Control Policy (ONDCP) estimates that our fellow citizens here in the U.S. spend about $65 billion dollars annually to satisfy their insatiable appetite for drugs. The United Nations estimates that the entire global drug trade generates about $322 billion dollars annually. No other illicit global market comes close to those numbers. The National Drug Intelligence Center estimates that somewhere between $8 - $24 billion dollars in ‘bulk currency’ alone transits our Country each year destined for the cartels’ coffers in Mexico—ultimately smuggled across our Southwest Border.

Is there any wonder why the cartels in Mexico have grown so strong, and why they will continue to fight for the criminal enterprise they have worked so hard to build?

**How the Mexican Drug Cartels Became So Strong**

During the early 1980s, our government, working with South American, Central American and Caribbean partners, successfully dismantled much of the Caribbean drug corridor—the area where most of the cocaine from the Andean Region flowed north into South Florida for eventual distribution throughout the United States. Consequently, the Colombian cartels formed alliances with the Mexican cartels to move their (Colombian) shipments of cocaine, and later heroin, into the United States. It made perfect sense to both the Colombian and Mexican cartels. Mexican traffickers had an existing smuggling infrastructure in place along the Southwest Border (SWB); the Mexican cartels already dominated heroin and marijuana drug trafficking in the Western United States; and the Colombian and Mexican cartels shared a common language.

During the early days of this marriage made in hell, the Mexican cartels began accepting payment for their services in cash for moving Colombian drugs across the SWB and into the United States, but soon realized they could be making far more money by accepting, and ultimately demanding, payment “in kind” (payment in drugs rather than cash) for their services. The Colombian cartels were soon paying their Mexican partners with half of the drugs in every cocaine load transiting the SWB. This aspect of the relationship allowed the Mexican cartels to carve out their own lucrative cocaine distribution markets throughout the United States, and later, in Mexico and elsewhere around the globe.
Just as important to the Mexican cartels’ meteoric rise and success in dominating the United States illicit drug markets is the fact that they fully exploited the substantial demographic changes involving our Nation’s Mexican and Hispanic populations over the past 25 years. As jobs went unfilled in the agricultural, meat packing, textile, construction and restaurant industries all across our country, hard working Mexican immigrants, citizens and non-citizens alike, moved into communities where those job vacancies existed and filled the employment voids. Never missing an opportunity, the cartels quickly infiltrated operatives into those communities where they easily blended in, and quickly took over drug distribution rights from local, traditional trafficking groups. And that scenario was repeated over and over again, all across our country over the past 25 years.

Mexican drug cartels and their U.S. based subordinates are now responsible for cocaine, heroin, methamphetamine and marijuana trafficking in communities in every state across our country, including Alaska and Hawaii. Local and state law enforcement in many areas of our Nation still lack the capacity to deal with the Mexican culture, and lack the expertise to effectively fight sophisticated organized drug trafficking groups. To compound the problem, hundreds of millions dollars in federal grant funding for local and state law enforcement was slashed over the past few years, leaving Chiefs and Sheriffs crippled as they attempted to deal with this extraordinarily complex law enforcement challenge.

How They Operate

The Mexican cartels’ ‘corporate’ headquarters are set up South of our border, and thanks to corruption, cartel leaders often times carry out their work in palatial surroundings. The cartel leaders manage and direct the daily activities of ‘command and control cells’ that are typically located just across the border in our Country. Those command and control cells manage and direct the daily activities of ‘distribution, transportation and money laundering cells’ all across our Nation.

The cartels operate just like terrorist organizations, with extremely complex organizational structures, consisting of highly compartmentalized cells: distribution cells, transportation cells, money laundering cells, and in some cases assassination cells or ‘hit squads.’ Many experts believe Mexican and Colombian drug trafficking organizations are far more sophisticated, operationally and structurally, then Middle Eastern terrorist organizations. In fact, some experts believe that Middle Eastern terrorist organizations actually copied the drug trafficking cartels’ sophisticated organizational model for their advantage. This sophisticated organizational model continues to thwart law enforcement and security services around the globe. Cell members are so compartmentalized that they possess little, if any knowledge of the greater organizational model that encircles and supports their nodes; therefore, they can share little of value when apprehended.
The Mexican cartels rely heavily on three of their most important trade craft tools to maintain power: corruption, intimidation and violence—the ‘hallmarks of organized crime.’ If they can’t corrupt you, they will intimidate you; if that doesn’t work, they will turn to brutal violence. Without the hallmarks of organized crime, the cartels cannot succeed. The Mexican cartels spend hundreds of millions of dollars to corrupt each year, and they have succeeded in corrupting virtually every level of the Mexican government. If anyone believes for one minute that the Mexican cartels are not looking north into the United States to corrupt—they’re obviously blind. We are already experiencing a spillover of drug related violence, and it’s not just along our SWB in places like El Paso, Calexico and Las Cruces. It’s also playing out in places like Atlanta, Chicago, Omaha and Anchorage.

We must also understand that the Mexican cartels operate with Fortune 100 corporate efficiencies. They are masters at creating demand, expanding their markets and developing a diverse product line. They have pushed into West Africa, into places like Guinea-Bissau, the quintessential example of ungoverned space, and established a transshipment base for the movement of multi-ton quantities of cocaine into the rapidly developing markets of Europe and Russia. One could cynically say that’s not necessarily a bad thing—that more of the poison is now destined for locales outside the United States. However, we are a compassionate and caring Nation, and we would never wish this tragedy on any country or people. And the reality of the situation is that the profit from the drugs ultimately finds its way back into the coffers of the cartels, and makes them even more powerful.

What worries me even more is the fact that Mexican cartel operatives, in places like Guinea-Bissau, are provided with opportunities to rub shoulders with the likes of Al Qaeda, Hezbollah and Hamas operatives, who also thrive in these permissive environments. Do I possess the proverbial ‘smoking gun’ that unequivocally proves this type of activity is taking place? No, but 34+ years of personal experience in many tough places around the globe tells me that it is happening with regularity. We as a Nation could pay a terrible price for allowing this potpourri of global scum to migrate together, to share lessons learned and to form strategic alliances. We should be doing all we can to drive a wedge between these powerful threats.

**Who’s to Blame?**

It’s easy to blame Mexico. But there is plenty of blame to go around and we certainly share equal responsibility for what is happening in Mexico today.

We have experienced substantial declines in drug abuse in our country over the past few years and that’s great news, but let there be no doubt that many of our fellow citizens are fueling the violence in Mexico by continuing to abuse illicit drugs. It is estimated that as many as 90% of the weapons used in violent assaults perpetrated by the Mexican cartels are purchased or stolen in the United States and smuggled into Mexico. We need to do more in our Country to curb the
appetite for illicit drugs and to identify, investigate and bring to justice those responsible for diverting arms to Mexico.

I have explained how more cocaine from Colombian and Mexican cartels is now destined for emerging European and Russian markets. Consequently, Europe and Russia can also shoulder some of the blame for what is happening in Mexico, Central America and Colombia, and should be doing more to support counter-narcotics efforts. Our Congress may want to explore why the United States is picking up the vast majority of the tab for policing the global drug trade.

The Way Ahead in Mexico

Mexican Attorney General Eduardo Medina-Mora and Secretary of Public Security Genaro García-Luna, courageous men I know, trust and have worked with, have both vowed to rid corruption from the ranks of federal law enforcement, and then go to work on state and local law enforcement agencies. Both are aggressively attempting to hire college educated applicants, and are beginning the vetting process for federal law enforcement by requiring detailed background investigations of their officers, as well as polygraph examinations and random urinalysis. But they need the help of Mexico’s legislator’s to enact a performance, pay and benefits reform package, which will help build lasting, professional federal law enforcement institutions with robust internal policing capacity. Mexico has also followed Colombia’s lead and extradited over 80 major drug traffickers in 2007 and 95 in 2008 to the United States. If there is one thing a global drug lord or terrorist fears the most, it is justice meted out in a federal courthouse in the United States.

Mexico’s military forces desperately need the air, land and maritime assets required to rapidly get them and their law enforcement colleagues into the fight, often times in remote and desolate areas of the country. Mexico’s military currently possesses the most trusted and professional security institutions in the country, and will continue contributing significantly to the fight until federal law enforcement can assume greater responsibility for the effort.

Although there are enormous differences between Mexico and Colombia, important parallels remain. Colombia was experiencing similar levels of violence just a few years ago as that country took the fight to its powerful drug cartels, including the Revolutionary Armed Forces of Colombia (FARC), the Auto Defensas of Colombia (AUC), and the ELN, all three designated foreign terrorist organizations by the U.S. and the E.U., as well as drug trafficking organizations. In the last three years, Colombia has experienced levels of peace and stability that have not been witnessed for over 50 years. The numbers of kidnappings, homicides, home invasions, bank robberies and armed robberies have all plummeted. There is a law enforcement presence in every community of the country for the first time in Colombia’s history. Why? Because our Congress refused to turn its back on a neighbor and supplied aid and funding through Plan Colombia. Colombia has done its part by fighting and winning, and continues to do so after experiencing tremendous losses of innocent citizens, as well as security forces.
Mexican security forces are currently at the tip of the spear in the fight against the powerful drug cartels, and they are in the fight of their lives. We in the United States need to understand that they are fighting and dying to protect not only their citizens, but ours as well. We typically lose over 30,000 of our fellow citizens to death caused by drug abuse and addiction each year. We have spent over $700 billion dollars in Iraq and Afghanistan, and that should serve as a clear indication that the $1.5 billion dollars in Merida Initiative funding that our Country has promised to Mexico and Central America to fight the drug cartels over the next three years falls woefully short. We had better be willing to do more, or the brave Mexican security forces will undoubtedly fail. If they fail, that $1.5 billion dollar mistake will cost our Country far, far more. We owe Mexico more—a great deal more.
Mr. TIERNEY. Thank you, Mr. Braun. Senator Paton.

STATEMENT OF JONATHAN PATON

Mr. PATON. Thank you, Mr. Chairman and members of the committee. I want to thank you for inviting me today and a special thanks to Congressman Flake for having me come here today.

Besides being in the State Senate, I am also the chairman of the Arizona Senate Judiciary Committee. I represent the Tucson sector, which is considered to be the most trafficked portion of the border with Mexico. I represent the 19 corridor in east Tucson, Green Valley, and Sierra Vista.

When Congress began sending us more Border Patrol agents and customs officers to Arizona, it helped slow some of the illegal immigration activity. But unwittingly, however, it also created a backlog of Federal immigration cases. Those immigration cases quadrupled. And what that means is that ATF, which has been diligently investigating gun-related crimes which are already on the books such as straw purchases and gun smuggling into Mexico, has been unable to bring many of those cases forward.

The U.S. Attorney's Office is swamped with misdemeanor immigration cases. And there are not enough prosecutors, judges, agents, and jails to handle what is coming before them already. How can we expect them to handle new laws? The bottom line is, in the words of a Federal agent that I spoke to this past week in Arizona, the U.S. Federal court system in Arizona is crumbling. And new laws will hasten that process, not help it.

The solution? Give us more agents, more prosecutors, more jail cells, public defenders. In short, give us the infrastructure to handle the problem. The laws on the books can be investigated and prosecuted. We can go after gun-related crimes now that are seriously impacting Mexico's gun problem. Besides the fact that the actions being taken by gun smugglers are already illegal, many of the weapons themselves are illegal as well.

I wasn't able to bring my own prop today because I couldn't make it through the airport with it. But had I done so, I would have brought grenades that were produced in South Korea; I would have brought AK-47s; I would have brought M-16s. These are weapons, ammunitions that are already illegal in the United States that are being smuggled into Mexico from outside of Mexico.

Mexico's gun problem is primarily a Mexican border security problem. Let me describe to you the process to get into the United States from Mexico. You go through a long line at the port of entry in Nogales. You wait in that line. Finally a customs official meets you. He talks to you, looks at your car, looks at the sides of the vehicle, etc. Finally, you get through. You go all the way through that checkpoint and 20 miles up the road at I-19 you have to go through another border checkpoint with the Border Patrol.

In order to get into Mexico, I go down to Nogales, I park at a McDonald's, and I walk through a turnstile. Essentially, we have an entire border security infrastructure on our side of the border and they have the same technology that you would use to get in to see your local movie at your movie theater. Mexico needs to have their own similar infrastructure that mirrors the United States as much as possible.
And the reason I bring this up is that the smuggling problem in the United States, our people smuggling problem, is their gun smuggling problem. The same people that are bringing people and drugs into the United States are the same ones that are bringing cash and guns into Mexico. This ultimately means that we need to focus on our own border security problems not only to guard against those entering the United States illegally, but to interdict those going into Mexico. As long as traffickers can move freely into the United States, they can easily go back into Mexico as well.

To show how interrelated this problem is, I just want to refer to the auto theft problem in Arizona as a perfect example. Auto theft in Arizona is one of the biggest per capita crimes for auto theft in the United States. We are finding that a lot of these cars were going south of the border into Mexico, so much so that the attorney general in Sonora called our attorney general and said, you know, we’ve got all these cars littering our roadsides that are abandoned from the United States, from your State. We’d like to get records on them to repatriate them back to the United States.

And the reason why is that the Mexicans would steal the cars in the United States, they would use them to haul drugs or haul cash and guns into Mexico. They didn’t do this because they liked the American cars. They used them simply as transport for their own smuggling operations back into Mexico, whereupon they would simply leave them there.

If you want to know what we can do, we can increase the license plate readers on I–19 that go into Mexico, as an example. When they did that, they found that a lot of these cars were stolen. They were able to stop them at the border and when they looked at the cars, they found money and they found guns inside those cars. The other thing we can do is look at comprehensive immigration reform as has been advocated by Congressman Flake, which will allow us to focus on the real problem at hand, which is the smugglers and not the people that are trying to find gainful employment in the United States.

I sit on the Counsel of State Governments Border Legislative Conference and I recently returned from Tampico, Tamaulipas Mexico last weekend. The Mexican Government is undergoing a complete and total transformation of their judicial system. They are going from their present system into an adversarial system of justice like we have in the United States with a prosecution and a defense. And this means that they will be following the rules of evidence and criminal procedure.

And as they do that, they will need corresponding crime labs, ballistics tests, etc., that we use in the United States. The United States is uniquely situated to train emerging leaders in Mexico’s nascent justice system on forensic science. These efforts will pay off not only in terms of giving the Mexicans the ability to go after gun traffickers in their own country, but more importantly, it will give us access to those data bases and intelligence of who these people are that we can use.

Criminal cartels do not respect borders. They simply use these borders as a sanctuary from one government over the other. And they game that system in order to continue their trade. I want to close by telling you this story. I recently had a chance to visit a
drop house in Phoenix. And you will notice that it is a drop house in the neighborhood simply because it is the only place on the block that has razor wire around the perimeter of the fence. Having visited one, I would have to say that it is the modern, land-borne equivalent to a slave ship. Forty people are shackled in a room big enough to be a child's bed chamber. They sit naked on the floor so they can't run away. The room next door is a room used to torture and rape Mexican citizens to extort more money from them.

This is not a drop house problem, however, it is not a drug problem and it is not a gun problem. It a fundamentally a border security problem. Both America and Mexico must secure the southern border. And to do that, we need to enforce our existing gun and immigration laws. We need to provide a workable guest worker program. We need to give our law enforcement the resources to effectively prosecute existing gun laws. Finally, we need to help Mexico develop a criminal justice system that follows the rule of law.

Thank you very much.

Mr. Tierney. Thank you, Senator.

Mr. Diaz.

STATEMENT OF TOM DIAZ

Mr. Diaz. Thank you, Mr. Chairman and other members of the committee for allowing me to present the views of the Violence Policy Center, which is a nonprofit, nonpartisan group working to reduce the effects of gun violence in America. The hearing today posed the question, Money, Guns, and Drugs: Are U.S. Inputs Fueling Violence on the U.S.-Mexico Border? And I think the testimony of the witnesses who preceded me indicate that the short answer to that question is yes.

Firearms from the U.S. civilian gun market are fueling violence on both sides of our border with Mexico. If one wanted to design a system to pour military-style guns into criminal hands, it would be hard to find a better one than the U.S. civilian gun market. The only better way would be openly selling guns to criminals from the loading docks of manufacturers and importers.

The U.S. gun market doesn't just make gun trafficking in military-style weapons to drug cartels and their criminal associates, including criminal street gangs in the United States, it doesn't just make trafficking in military-style weapons to them easy. It practically compels that traffic. Lax regulation of the U.S. gun market and the gun industry's ruthless design choices fit like gloves on the bloody hands of the drug lords and their criminal gang associates.

The results are beyond debate. In February 2008, ATF Assistant Director William J. Hoover told another subcommittee, the Western Hemisphere Subcommittee in the House Foreign Affairs Committee, and I am quoting excerpts from his testimony, "Mexican drug trafficking organizations have aggressively turned to the U.S. as a source of firearms. The weapons sought by drug trafficking organizations have become increasingly higher quality and more powerful. These include the Barrett .50 caliber rifle, the Colt AR-15 assault rifle, the AK-47 assault rifle and its variants, and the FN 5.57 caliber millimeter pistols known better in Mexico as the 'mata policia' or the 'cop killer.'"
It is not a coincidence that gun smugglers come to the United States for these military-style weapons. Guns like these are so easily available in such quantity that today they actually define the civilian gun market in America.

I would like to talk a little bit about regulation. The gun lobby and its advocates often say that the gun industry is heavily regulated. In fact, the gun industry in the United States is lightly regulated. The most important Federal burdens on the gun industry are exercises in mere paper oversight, pro forma licensing, and rare inspections.

Most States do not regulate dealers at all. The few that do rarely conduct regular inspections. In fact, ATF rarely conducts regular inspections. Gun sales themselves are subject only to the cursory background check under the Federal Brady Law. And that is only required when the sale is made through a federally licensed gun dealer. We know, however, that 40 percent of all gun transfers in the United States, 40 percent, are made through what is known as the informal market. That is not through a federally licensed dealers, over the back fence, through the newspaper.

The major weakness of the U.S. effort against gun trafficking is its total reliance on after the fact law enforcement action. If, as some claim, traffickers indeed use a stream of ants to move guns to Mexico, it would seem to be more effective to make it more difficult for the ants to get the guns in the first place. That means looking upstream. And if we are going to have a broad discussion of ideas, that is an idea we suggest. Look upstream to the gun industry to find ways to keep guns out of the hands of traffickers and their agents before they break the law.

Now I have made reference to the military-style designs that today define the gun industry, the American civilian gun industry. The U.S. gun industry has been in serious economic trouble for decades. We at the Violence Policy Center have written about that at length and I wrote the book, “Making a Killing,” about it. As the gun business publication, “Shooting Industry,” which is an industry publication put it, “More and more guns are being purchased by fewer and fewer consumers. In short, the markets are stagnant.”

The industry’s principal way to jolt its weak markets has been to heavily push increasingly lethal gun designs to hook jaded gun buyers into coming back again to purchase something that is essentially utilitarian and never wears out. Because of these design and marketing decisions, the gun industry today is defined by military-style weaponry. Another industry publication, The New Firearms Business, wrote recently, “The sole bright spot in the industry right now is the tactical end of the market where AR and AK pattern rifles and high tech designs are in incredibly high demand.”

Now one effective thing that could be done today without legislation, without new gun laws would be for President Obama and Attorney General Eric Holder to direct the Bureau of Alcohol, Tobacco, and Firearms to strictly enforce its existing statutory authority to exclude from importation all semi-automatic assault rifles as non-sporting weapons pursuant to 18 U.S.C. 925(d)(3). That is a provision of the 1968 Gun Control Act. It has been on the book for 40 years.
I might point out that President George Herbert Walker Bush was the first president to use that provision to restrict the import of certain types of assault weapons and that President Clinton expanded that approach during his term. The latter President Bush, George W. Bush, under his administration, the ATF has apparently weakened this to allow the import of firearms like the type on page 2 of my submitted statement: semi-automatic rifles and assault rifles seized in a gun smuggling case by ICE or from Romanian imports known as WASRs.

This strict approach would stop the flow of assault weapons from countries like Romania. Many of those weapons move into criminal hands in the United States—the same WASR-type gun has been used to kill U.S. law enforcement in Miami and elsewhere—and then across the border to Mexican cartels. This restriction could also be applied to other dangerous non-sporting firearms such as the FN 5.7 handgun, the 5.7 millimeter handgun specifically designed in Europe for use by counter-terror units against terrorists wearing body armor, now freely marketed in the United States and known in Mexico as a “mata policía” or the “cop killer.”

Thank you, Mr. Chairman. I am happy to answer any questions.

[The prepared statement of Mr. Diaz follows:]
Statement of Tom Diaz
Senior Policy Analyst
Violence Policy Center

Before the Subcommittee on National Security & Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives

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

March 12, 2009

Thank you, Mr. Chairman and members of the subcommittee, for inviting me to present the views of the Violence Policy Center on this important topic. Founded in 1988, the Violence Policy Center is a national non-profit 501(c)(3) tax-exempt educational organization working to reduce violence in America.

**The U.S. Civilian Gun Market – An Ideal System for Smuggling**

It is beyond question that firearms from the U.S. civilian gun market are fueling violence not only on both sides of the U.S./Mexico Border, but in Mexico itself. If one set out to design a “legal” market conducive to the business of funnelling guns to criminals, one would be hard-pressed to come up with a “better” system than the U.S. civilian gun market – short of simply and openly selling guns directly to criminals from manufacturer and importer inventories.

The U.S. gun market not only makes gun trafficking in military-style weapons easy. It practically compels that traffic because of the gun market’s loose regulation and the gun industry’s ruthless design choices over the last several decades.

**Military-Style Weapons – The Drug Cartels’ Weapons of Choice**

Military-style weapons heavily marketed by the U.S. civilian gun industry are the drug cartels’ weapons of choice.

One need look no further than the testimony of William J. Hoover, Assistant Director, Office of Field Operations, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), before the Western Hemisphere Subcommittee of the U.S. House of Representatives Committee on Foreign Affairs in February 2008 to find confirmation of that fact:
Mexican drug trafficking organizations have aggressively turned to the U.S. as a source of firearms. These weapons are used against other DTOs [Drug Trafficking Organizations], the Mexican military, Mexican and U.S. law enforcement officials, as well as innocent civilians on both sides of the border. Our comprehensive analysis of firearms trace data over the past three years shows that Texas, Arizona, and California are the three primary source states respectively for U.S.-sourced firearms illegally trafficked into Mexico. Recently, the weapons sought by drug trafficking organizations have become increasingly higher quality and more powerful. These include the Barrett .50-caliber rifle, the Colt AR-15 .223-caliber assault rifle, the AK-47 7.62-caliber assault rifle and its variants, and the FN 5.57-caliber pistols better known in Mexico as the cop killer. [Italics added.]

It is no coincidence that the military-style firearms identified by Mr. Hoover as favored by Mexican drug cartels — and cop-killing criminals in the United States — are precisely the makes and models of firearms that have been carefully designed, manufactured or imported, and heavily marketed over the last 20 years by the U.S. civilian gun industry. These types of military-style firearms today dominate the U.S. civilian market.

The Analytical Gap in U.S. Policy

Much U.S. policy attention in response to public safety concerns has been directed at changing internal factors in Mexico and other key Latin American states to achieve transparency and effective policing within the rule of law. Less attention has been given to examining and correcting external influences from the United States that are driving much of the violence in Mexico and elsewhere in the
Western Hemisphere. This gap in analytical thinking has sometimes contributed to
myopic, piecemeal, and ultimately ineffective policies.

One of the major drivers in Mexico’s violence that has been ignored until recently is
the illicit flow of weapons to criminal organizations from the U.S. civilian firearms
market.

Moreover, to the extent that the problem of gun trafficking has been addressed,
the focus has been exclusively on law enforcement measures – investigating,
identifying, and prosecuting gun smugglers. Although aggressive law enforcement
measures are an essential part of any effective overall program, an exclusive focus
on law enforcement measures overlooks a rich and ultimately more fruitful range of
prophylactic measures that can be implemented upstream of the transfers that
move firearms from legal to illegal commerce.

The Role of the U.S. Gun Industry:
Weak Regulation, Deadly Design and Marketing

“There is a war going on on the border between two cartels,” William Newell,
Special Agent in Charge of ATF’s Phoenix Field Division, was reported to have said
in 2007. “What do they need to fight that war? Guns. Where do they get them?
From here.” This statement of fact is not surprising. The VPC has reported in
detail previously that it is entirely possible to outfit an army through the civilian
commerce in firearms and related accessories in the United States. That is what
the Mexican DTOs are doing today. According to ATF Special Agent Tom Mangan,
“The cartels are outfitting an army.”

ATF Reports Barrett 50 Caliber Anti-Armor Rifles to be Among Drug
Lords’ “Weapons of Choice”
Smugglers reportedly move guns into Mexico in a variety of ways, but according to the Associated Press “most are driven through ports of entry, stuffed inside spare ties, fastened to undercarriages with zip ties, kept in hidden compartments, or bubble-wrapped and tucked in vehicle panels.” Arizona’s Attorney General described this traffic recently as “a ‘parade of ants’ – it’s not any one big dealer, it’s lots of individuals.” The dimensions of that traffic are not known, but it appears to be growing. U.S. and Mexican officials report that, based on ATF tracing data, the cartels get between 90 percent and 95 percent of their firearms from the United States. Traces by ATF of firearms from Mexico have reportedly increased from 2,100 in 2006 to 3,300 in 2007 and 7,700 in 2008.

Such information illustrates graphically that if one set out to design a system for easily moving military-style firearms from legal civilian commerce to illegal trade through gun smuggling, one could not do better than the existing U.S. civilian firearms market. The hallmarks of that trade not only make gun-running of the cartels’ military-style weapons of choice easy, but very nearly compel this illicit commerce. Those hallmarks are:

1. Lax laws and regulations governing the firearms industry at the local, state, and federal levels, compounded by weak or ineffective enforcement.

2. The deliberate choice of military-style firearms design – assault weapons, 50 caliber anti-armor sniper rifles, and “vest-busting” handguns – by gun manufacturers and importers. Heavy industry marketing of these designs has made them the defining products in the U.S. civilian gun market today.

**Lax Law and Regulation, Weak Enforcement**

Although the gun lobby often maintains that the firearms industry is heavily regulated, in fact the industry is lightly regulated. The most important regulatory burdens on the gun industry are largely exercises in paper oversight – pro forma licensing and rare inspections by federal authorities. Most states do not regulate dealers, and the few that do rarely conduct regular inspections. Firearms and tobacco products are the only consumer products in the United States that are not subject to federal health and safety regulation. The sale (transfer) of firearms is subject only to a cursory federal background check under the federal Brady Law – when the sale is made through a federally licensed gun dealer.

One of the most important problems in preventing domestic and foreign gun smuggling alike is that – unlike illegal drugs, for example – firearms are not inherently contraband. Guns enter into commerce legally and may be legally transferred in a wide variety of ways in a multitude of venues. The act of transferring a semiautomatic assault rifle – or a dozen – in entirely legal commerce between two law-abiding individuals is almost always indistinguishable from
weapons transfers in which one or both of the parties intend to put the gun into the smuggling stream.

Oversight of firearm transfers quickly dissipates the further down the distribution chain one goes. Many of the ways that guns legally change hands in the United States are wholly unregulated and invisible from public view. These include, for example, sales by non-dealers at gun shows and sales between individuals.
The structure of the gun industry is relatively simple. Domestic and foreign manufacturers make the firearms. Domestically manufactured or assembled firearms are distributed by the manufacturers, either through wholesalers (known in the industry as “distributors”) or directly to retail gun dealers. Foreign-made firearms are brought into the country through importers and then enter the same channels of commerce. In theory, imported firearms are required to have a “sporting purpose” under 18 USC §925(d)(3) (a provision of the 1968 Gun Control Act). In practice, however, the “sporting purposes” test is subject to administrative interpretation as to its definition and its application in specific cases. Under the George W. Bush administration, the sporting purposes test was substantially weakened, allowing the importation of a large number of cheap assault weapons and such “cop-killing” handguns as the FN Five-seveN, known in Mexico as the _mata policia_, or “cop-killer.”

Domestic firearm manufacturers, importers, dealers, and ammunition manufacturers are required to obtain a Federal Firearms License (FFL). This licensing regimen affects the central purpose of the Gun Control Act of 1968, the core federal gun law, of supporting state control of firearms by basically forbidding interstate commerce in guns except through federally licensed dealers. However, FFLs are issued on a virtually pro forma basis — anyone who is at least 21 years old, has a clean arrest record, nominal business premises, and agrees to follow all applicable laws can get a license good for three years upon paying a fee and submitting a set of fingerprints with an application form.

New and imported firearms thus in theory always move in legal commerce through at least one federally licensed seller through the first retail sale. The federal Brady Law requires a background check as a prerequisite to any retail sale through a _federally licensed dealer_. However, once a gun has been sold at retail, it may be resold in the “secondary market” — that is, not through a federally licensed dealer — any number of times using any one of a variety of channels. Vehicles for these secondary market transfers include classified advertising in newspapers and newsletters, Internet exchanges, and informal sales between individuals at “flea markets” or “gun shows.” None of these secondary market channels require the federal Brady background check, so long as the sale is conducted intrastate and there is no state background check requirement. Most states do not regulate such sales – although a few, like California, do regulate all firearms transfers. About 40 percent of all gun transfers are made through this secondary market, according to a 1994 national survey.

The consequences of this weak system are apparent in the fact that domestic gun trafficking is widespread and resistant to such law enforcement efforts as exist. Street gangs and other criminal organizations have demonstrated conclusively over the last 25 years that weak U.S. gun control laws do not prevent their acquiring as
many of the increasingly lethal products of the gun industry as they desire. In spite of episodic efforts by ATF, organized interstate smuggling pipelines continue to move guns from states with virtually nonexistent gun regulations to the few primarily urban centers that have tried to stem the flow of guns.\textsuperscript{13} "States that have high crime gun export rates – i.e., states that are top sources of guns recovered in crimes across state lines – tend to have comparatively weak gun laws."\textsuperscript{12} Local criminals engage in brisk gun traffic in every part of the country, with little effective law enforcement interference.

Some opponents of more effective gun control measures point to the continued trade in illegal firearms as evidence the gun control laws do not work. "A crook could care less how many laws you have," a border region gun dealer told the \textit{Los Angeles Times} in 2008.\textsuperscript{15} Former Secretary of State Condoleezza Rice was reported by \textit{El Universal} newspaper to have made a similar statement at a meeting with Mexico’s Foreign Secretary, Patricia Espinosa. "I follow the traffic in arms throughout the world, and I have never known traffickers in illegal arms to care much about the law," the paper quoted Rice as saying.\textsuperscript{14} Based on the logic that laws do not deter criminals, the newspaper dryly observed, Mexico should repeal its laws against drug-trafficking.

In fact, the major weakness of U.S. efforts against gun trafficking (and firearms violence in general) is its almost total reliance on after-the-fact law enforcement investigation and prosecution. Instead of focusing on prophylactic measures to prevent guns from getting into the hands of traffickers, most attention has been paid to trying to apprehend and prosecute traffickers after the damage has been done and the guns are in criminal hands. If, as noted earlier, traffickers indeed use a "stream of ants" to move guns to Mexico, it would be more effective to focus efforts on making it more difficult for the ants to get the guns in the first place.

Although law enforcement efforts are an important and necessary part of a total package against gun trafficking – and gun violence generally – a more powerful solution would be to complement law enforcement with "upstream" public health and safety measures designed to reduce the opportunity for gun trafficking. Examples of these upstream measures include stopping the production and import of military-style firearms such as semiautomatic assault weapons and 50 caliber anti-armor sniper rifles, and making all transfers of firearms subject to (at a minimum) the current background check to which transfers through federally licensed firearms dealers are subject.

Even if the commerce in firearms in the United States were more tightly regulated along such lines, there remains the major problem of lack of oversight over design – the type of firearms that the gun industry produces and markets.
Design and Marketing of Military-Style Weapons

The U.S. gun industry has been sagging for decades. Although the industry enjoys brief periods of resurgence, the long-term trend for civilian gun manufacturers continues to be steady decline as fewer Americans choose to own guns and gun ownership becomes more concentrated. As the gun business publication Shooting Industry put it, “more and more guns [are] being purchased by fewer and fewer consumers.”

One reason for the gun industry’s long-term slump is the steady decline in hunting, a traditional market for rifles and shotguns. “Hunters represent an aging demographic,” The Wall Street Journal summed up. In addition to demographic stagnation, absorption of rural land by expanding suburbs has decreased the number of places where hunters can hunt. “Now there are Wal-Marts and shopping centers where I used to hunt,” said a Florida hunter. Changes in society’s values and alternative recreational activities for young people have also hurt hunting. “Instead of waking up at 4 a.m. and going hunting, it’s easier for kids to sleep in until 9 and play video games,” a California wildlife official observed.

The gun industry’s cumulative loss of market ground is reflected in a 2006 study, “Public Attitudes Towards the Regulation of Firearms,” released by the National Opinion Research Center (NORC) at the University of Chicago analyzing the prevalence of household firearms. The NORC survey data show that during the period 1972 to 2006, the percentage of American households that reported having any guns in the home dropped nearly 20 percentage points: from a high of 54 percent in 1977 to 34.5 percent in 2006.

The industry’s principal avenue of addressing its stagnant markets has been developing innovative gun designs aimed at stimulating repeat purchases of its products. “I think innovation is critical to the industry,” Smith & Wesson’s marketing chief said in 2005. For the gun industry, innovation has translated into introducing increasingly deadly firearms into the civilian market. The gun industry uses firepower, or lethality, in the same way that the tobacco industry uses nicotine. Firearm lethality is a means to “hook” gun buyers into coming back into the market again and again as more deadly innovations are rolled out. As a consequence, the profile of the civilian gun industry today is defined by military-style weaponry. As the industry publication The New Firearms Business put it recently, “the sole bright spot in the industry right now is the tactical end of the market, where AR and AK pattern rifles and high-tech designs, such as FNH USA’s PS90 carbine, are in incredibly high demand right now.”
The VPC has issued multiple reports on these products, focusing in detail on the industry's introduction of:

- high-capacity semiautomatic pistols, which profoundly increased levels of street violence and lethality beginning in the 1980s;

- semiautomatic assault weapons (such as the Kalashnikov-type clones of the AK-47, and AR-15 assault rifles) which play an ongoing role in organized criminal violence;

- 50 caliber armor-piercing sniper rifles capable of piercing armor plate at a distance of a mile and a half; and, most recently,

- handguns with rifle striking power, capable of piercing all but the heaviest police body armor (such weapons are reportedly known as mata policías or asesino de policía, cop-killers, in Latin America).

The consequences of these several decades of design and marketing are now being seen not only on the streets of Mexico, but on the streets of Miami, Los Angeles, Washington, D.C., and in cities and towns all over the United States.

As the testimony of ATF Assistant Director Hoover quoted earlier underscores, it is precisely these highly lethal, military-style models which have become staples in the illicit traffic in firearms between the United States and Latin America.24 Observations of ATF agents in the field confirm Hoover’s testimony. According to ATF Special Agent Tom Mangan, for example, the Barrett 50 caliber anti-armor sniper rifle has become one of the “guns of choice” of the Mexican drug organizations. Says Mangan, “There’s nothing that’s going to stop this round.”25 The weapon has been used to assassinate Mexican police and other government
officials traveling in armored cars. Other favored firearms include the FN Five-seveN, a 5.7mm pistol manufactured by the Belgian company FN Herstal, the ammunition for which is capable of piercing body armor.

A large number of the firearms smuggled from the United States into Mexico and elsewhere in Latin America come from the Southwest, the states of which are notoriously lax in gun control laws and law enforcement regulation. It has been reported that there are more than 6,700 U.S. gun dealers within a short drive of the southern border — more than three dealers for each of the approximately 2,000 miles of the border.

Although officials of the United States and Mexico regularly make public proclamations of alleged progress in stemming this traffic, few informed observers believe that more than a dent has been — or under the present regimen of laws and enforcement can be — made in the violent trade. It is probably the case, in fact, that ATF’s self-interested spoon-feeding of information to the news media is on balance counter-productive, since it conveys the erroneous impression that U.S. federal and state law enforcement officials have the tools to do the job. In fact, they do not.

It is time for change. The question is, what can be done?
Immediate Steps the U.S. Government Can Take

Measures that Can Be Implemented Without Legislation

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) could immediately begin to strictly enforce the existing ban on the importation of semiautomatic assault weapons. ATF can fully exercise its existing statutory authority to exclude from importation all semiautomatic assault rifles as “non-sporting” weapons pursuant to 18 USC §925(d)(3) (a provision of the 1968 Gun Control Act) and also exclude the importation of assault weapon kits and parts sets. This policy was first implemented in 1989 by the George H.W. Bush administration in response to drug wars and mass shootings in the U.S. The Clinton administration strengthened the import rules in 1998 in response to efforts by the gun industry to evade the ban, but the policy was essentially abandoned by the George W. Bush administration. A strict import policy would capture the vast majority of AK-type rifles.

Expand import restrictions to include other dangerous “non-sporting” firearms. The same provisions of existing law could be used by ATF to restrict other “non-sporting” firearms that are currently being imported into the U.S. and trafficked to Mexico including the FN Five-seveN handgun and new AK-type pistols.

ATF could be more aggressive in identifying and sanctioning Federal Firearms License holders who are the sources of high volumes of guns trafficked to Mexico. For example:

- **Target border-state dealers for yearly compliance inspections.** ATF is allowed to conduct one warrantless compliance inspection of each dealer once a year. It should ensure that dealers found to supply a significant number of guns seized in Mexico are inspected annually.

- **Be more aggressive in revoking the licenses of dealers found to be knowingly supplying Mexican traffickers.** Although federal law allows a license to be revoked for a single violation – provided ATF can show it was “willful” – ATF usually does not seek revocation unless a dealer has had numerous problems over years of inspections.

- **Require licensees who conduct business at gun shows to notify the Attorney General of such activity.** ATF has acknowledged that gun shows in border states are a significant source of guns trafficked to Mexico. The law allows the Attorney General to prescribe the rules for dealers operating at gun shows. ATF could focus targeted oversight and regulation on FFLs who sell
at gun shows in border states and sanction dealers identified as actively supplying those trafficking firearms to drug gangs in Mexico.

**Measures That Would Require Legislation**

Repeal the current restrictions on release of ATF crime gun trace data ("Tiahrt amendment"). For several years the legislation making appropriations for the Bureau of Alcohol, Tobacco, Firearms and Explosives has included severe restrictions on the public release of data contained in the crime gun trace database. Previously, the data was publicly available under the Freedom of Information Act (FOIA). Access to this database is critical to a full understanding of the gun trafficking problem, e.g. most problematic makes/models, source states and dealers, etc. It is imperative that Congress be convinced to repeal these restrictions in ATF’s fiscal year 2010 appropriations.

**Implement an effective federal assault weapons ban.** The federal ban that expired in 2004 was ineffective in that manufacturers continued to sell assault weapons throughout the term of the ban by making minor cosmetic changes in gun design. For example, the domestically manufactured AR-type rifles that are currently a huge part of the problem in Mexico were sold by manufacturers Bushmaster, Colt, DPMS, and others in “post-ban” configurations that complied with the letter of the 1994 law. To be effective, a new federal law should be modeled on California’s existing comprehensive ban. Such a bill was introduced last Congress by Representative Carolyn McCarthy (D-NY) as H.R. 1022. The bill also includes a ban on high-capacity ammunition magazines that would help reduce the lethality of the standard high-capacity pistols that are also a problem in Mexico.

**Implement restrictions on 50 caliber sniper rifles.** A bill to regulate 50 caliber sniper rifles under the strict licensing, background check, and taxation system of the National Firearms Act was introduced last Congress by Senator Dianne Feinstein (D-CA) (S. 1331).

**Extend the Brady background check system to the “secondary market.”** A long-term policy goal should be to ensure that all firearms transfers are subject to a background check. Currently, up to 40 percent of firearms transfers occur at gun shows, through classified advertising, or in other private sales. A first step in this process would be to close the “gun show loophole” that allows private sellers to transfer firearms at gun shows and flea markets without a background check.


8 There are nine types of federal firearms licenses: Type 01, DEALER in firearms other than destructive devices; Type 02, PAWNBROKER in firearms other than destructive devices; Type 03, COLLECTOR OF CURIÓS AND RELICS; Type 06, MANUFACTURER OF AMMUNITION FOR FIREARMS other than ammunition for destructive devices or armor piercing ammunition; Type 07, MANUFACTURER OF FIREARMS other than destructive devices; Type 08, IMPORTER OF FIREARMS other than destructive devices or AMMUNITION FOR FIREARMS other than destructive devices, or ammunition other than armor piercing ammunition; Type 09, DEALER IN DESTRUCTIVE DEVICES, MANUFACTURER OF DESTRUCTIVE DEVICES, MANUFACTURER OF AMMUNITION FOR DESTRUCTIVE DEVICES OR ARMOR PIERCING AMMUNITION; and Type 11, IMPORTER OF DESTRUCTIVE DEVICES, AMMUNITION FOR DESTRUCTIVE DEVICES OR ARMOR PIERCING AMMUNITION.”


10 For a discussion of gun trafficking within the United States, see Mayors Against Illegal Guns, The Movement of Illegal Guns in America: The Link between Gun Laws and Interstate Gun Trafficking, December 2008.


14 “Quietenle los rifles al narco,” El Universal editorial, February 5, 2009. http://www.eluniversal.com.mx/editorials/42828.html. This quote is translated by the author from the following text: “Hace dos meses la entonces secretaria de Estado del país vecino, Condoleezza Rice, dijo frente a la secretaria de Relaciones Exteriores mexicana, Patricia Espinosa: “Yo sigo el tráfico de armas en todo el mundo, y nunca he sabido que a los traficantes de armas ilegales les
importa mucho la ley. Así es que simplemente no acepto la noción de que el levantamiento de la prohibición la venta de armas de alto calibre en tiendas estadounidenses ha conducido a los traficantes de armas a incrementar sus actividades. "Hablando dicho antes. Bajo esa lógica, levantemos también la prohibición al tráfico de drogas.

15 This section is based on research on the gun industry, its products, and their impact on public health and safety, published by the Violence Policy Center over several decades. For examples, see www.vpc.org. An additional source is Tom Diaz, Making a Killing: The Business of Guns in America (New York: The New Press, 1999).


23 The New Firearms Business, November 15, 2008, p.1


Mr. Tierney. Thank you, Mr. Diaz. Thanks to all of the witnesses for your testimony.

We are going to now engage in the question and answer period, about 5 minutes per Member. And we will do as many rounds as we can all tolerate and you have time for as witnesses.

On that, let me begin by asking about the money on this because I think Mr. Braun mentioned follow the money. As a way that people generally think of this, $8 billion to $25 billion of bulk money traveling, I suspect, throughout the United States first before it then goes over to fuel this situation.

When many of us think of money laundering, we think of electronic wires and of a lot of work that Senator Kerry and others did years ago about the banking system. And I hear what you are telling us today is that now, to counteract all of the advances made there, they are just going back to cold cash and trying to bring that over.

So I have a number of questions. One is are they doing that in much the same way as people say they are carrying the guns over, an army of ants a little bit at a time, or are they bringing it over in huge truckloads? Mr. Braun.

Mr. Braun. It will be a bunch of smugglers here on both sides of the border. There are Mexican money laundering or financial cells that collect remittances from distribution cells all over the United States. They oftentimes cache that money in places like Atlanta, Chicago, hubs where they pull that money into. They will repackage it, conceal it in vehicles, in vans, in automobiles.

Sometimes they won’t conceal it at all. Sometimes they will simply stuff duffel bags full of money and send it south toward the border. Oftentimes, though, that money, once it reaches the southwest border of the United States in places like El Paso and Del Rio and places in Arizona, all along the southwest border, oftentimes it will be cached in homes, safe houses, for the final count before it is moved across the border.

But as the Chief of Operations with DEA, just to kind of put this into perfect perspective, every morning I started with an 8:30 command meeting in our command center and was briefed on what had taken place during the previous 24 hours. There was never a week in the 4-years that I served as Chief of Operations that I can remember when there were not a number of million dollar, multi-million dollar cash seizures throughout the United States. DEA, ICE, and FBI just took down Operation Accelerator. You probably heard about it a few weeks ago. Over $63 million, mostly in cash, was seized in that investigation.

One thing that I would like to mention is that many of the seizures that are made are generated by judicial wiretaps that DEA is conducting across the United States involving tremendous forms of evidence gathering ability as well as intelligence gathering. But Federal law enforcement is struggling with what I believe to be some antiquated legislation and policies that deal with Federal law enforcement’s ability to conduct judicial wiretaps. I am not talking about the FBI FISA-type stuff. But with the ever-emerging technologies, the FBI, DEA, we are having a tough time keeping up with all of this and staying up on the phones that we need to be on.
Mr. TIERNEY. Thank you. We will explore that further when we have the administration witnesses in as to what we might do with regard to that. But Mr. Selee was suggesting about this upstream activity that we had to improve the capabilities and intelligence on matters on the law enforcement side.

But you also mentioned, Mr. Selee, that right now the Border Patrol, ICE, Drug Enforcement Agency, FBI, and Treasury all have a piece of this action. Your recommendation was that somebody be put in charge, somebody be tasked with actually coordinating all of that. Who would you or Mr. Braun recommend be that person or that agency? Is there a preference there or does it just matter somebody do it?

Mr. BRAUN. I agree with Mr. Selee that we most definitely need to continue to follow the cash. The problem, and we may not differ because we whispered back and forth a few minutes ago and I think I may have turned Mr. Selee around. I'm not sure.

But here is what interests me or what concerns me about putting one agency in charge of conducting kind of the financial investigative aspect of global drug trafficking. We would never think of separating the FBI's global war on terrorism responsibility. We would never think for a minute of separating the financial aspect and taking that away from the FBI and having them only focus on terrorism. So why in God's name would we consider doing that with respect to global drug trafficking?

Mr. TIERNEY. I guess I was misreading it there, because I didn't read it as a recommendation that it be separated and given to one but only that one be put in charge of coordinating it.

Mr. BRAUN. Oh, OK.

Mr. TIERNEY. Mr. Selee, did I read it wrong?

Dr. SELEE. No, no that was the point. And I think it is more a question of coordination. I mean, clearly DEA is the lead in most things that involve drug trafficking other than when you get into money laundering where Treasury gets highly involved.

But the question is more of coordination. And this is the kind of thing that lends itself very well, I think, to, first of all, incentives. I mean, to what extent is the administration concerned about this as a key element in sending that message to key agencies.

But second, what are the interagency mechanisms that allow intelligence to be shared? CBP knows a piece of this. I mean, there clearly is a border, as Mr. Jonathan Paton has pointed out, there clearly is a question of border security here. CBP clearly plays a role there. ICE plays a role in this as well. DEA is perhaps the lead. FBI quite often knows pieces of this as well. Part of the question is how do we get these agencies talking to each other about this.

Mr. TIERNEY. Right, and who would you think, what agency do you think would be the appropriate one to take the lead on that?

Dr. SELEE. I think it is a good question to ask the administration. My sense is that DEA is the lead on this, de facto, and they probably should keep that. But I think that is a good question to ask the administration.

Mr. TIERNEY. My time is expired. I yield 5 minutes to Mr. Flake.

Mr. FLAKE. I thank the gentlemen; I thank the witnesses.
Mr. Selee, you mentioned three things: consumption of drugs, flow of money, and limit weapons coming into the United States to be exported to Mexico. You mentioned them one, two, three. Is that the order of importance you think they are in terms combating what we are seeing there? Would you rank them for me, for us?

Dr. SELEE. Congressman, I would actually, I would personally rank them that way. I am not sure if other colleagues who participated in our report would have the same ranking. And let me tell you why I would rank them that way.

Consumption, from what we know from academic studies, reducing consumption is probably the most cost-effective way of reducing the overall market, disrupting the activities of drug cartels. We have the greatest bang for the buck. So I would start there as a key area. That said, nothing that we do, whether it is prevention programs or treatment programs, is going to reduce the market more than a percentage. I have heard people talk about 10 percent; I have heard 25 percent. But clearly it is not a solution in and of itself.

Second, I think interrupting the money flow is perhaps the most global, we are talking about cartels. Let us just put this in perspective—$15 billion to $25 billion. And no one knows the exact amount. But these are numbers we put together sort of talking to a number of agencies, $10 billion to $25 billion. The Mexican Government’s budget for security, for organized crime, is about $3.9 billion a year. About $7 billion if you look at the global budget for law enforcement at the Federal level in Mexico. This is a huge number.

So disrupting that, and again, you are never going to disrupt more than a percentage of the money flow. But beginning to disrupt that is a key element of at least leveling the playing field here.

And the third is the arms. And I agree there is a border, Mexico can do much more on their side with the arms. But in the same way that we have always expected Mexico to step up with drug traffickers that are trying to get drugs into this country on their side of the border, I think they have a legitimate right to look at us and say, you know, we should be doing our part on our side to make sure those arms are not getting exported. Clearly they have a responsibility at the border but we should do our part as well. And we don’t want them turning around and saying, hey, the drugs are your problem. You are letting them, they are getting by the border.

Mr. FLAKE. Thank you. Mr. Paton, I appreciate your testimony. What I mentioned in my opening statement was that there are a lot of other things that we need to consider. And you raised some of those in terms of numbers or the burdens that are already there in terms of what our U.S. attorneys have to deal with. I will ask you kind of the same question that I asked Mr. Selee. Those items that you listed—ensuring that we enforce our laws in terms of those entering Mexico, burdens on U.S. attorneys, and the other issues—how would you rank them for us? I mean, it is our responsibility to allocate money and resources because, as we all know and Arizona is painfully aware, the border, most of the issues deal-
ing with the border are Federal issues. And so what can we do here? What is most important in your view?

Mr. PATON. Mr. Chairman, Congressman Flake, I think that really the biggest thing that we can do as I said before, my No. 1 ranking, I guess, would be that we should focus on the infrastructure that goes along with the border interdictions. And I mean the prosecutors, the judges, the defense attorneys, that entire infrastructure that was left out when we added more Border Patrol agents. We have existing laws. We have straw purchase laws. It is illegal to export guns that are illegal in Mexico into Mexico. We have those things put in place. We simply don’t have the ability to prosecute and jail those offenders because of all these other things. That would be the first thing.

I would also want to say that locally, because we have been waiting for the Federal Government to act, we have been trying to take matters into our own hands. And we have found that the Department of Public Safety works quite well, our State level police work quite well with ATF and other agencies. And the more that we empower them to do some of these things, that is another set of resources that we can utilize that won’t cost the Federal Government really that much more. We are trying to do that already.

In our Senate Judiciary Committee, I am working with different groups to try to help enforce some of these existing gun laws. And I think that, first of all, is something we need to take care of before we do anything else.

Mr. FLAKE. Thank you. Mr. Diaz, you talked about the importance of new gun laws, I guess, or new classes of weapons to make illegal. What about the argument that Mr. Paton puts forward that we have difficulty with the resources and the funding and everything to enforce current laws on the books? Wouldn’t it be more difficult to outlaw another class of weapons? Would that help at all?

Mr. DIAZ. Thank you for the question, Mr. Flake.

First, with respect to enforcing existing laws, I think the record demonstrates that is not enough. We are talking about a comprehensive solution. For example, the straw purchaser law, the Federal law—and I know Mr. Paton believes or at least has said publicly that maybe there should be also a State law which is a new gun law in the State itself—the straw purchaser law even in its best circumstances—if we said everybody obeyed the straw purchaser law just as if we would hope everybody obeyed the laws against consuming illegal drugs, let us assume that happened—that still leaves a very broad range of venues where firearms can be legally purchased without even worrying about straw purchasing.

That is the 40 percent, the informal market I talked about. That is the gun show problem. That is the sales across the back fence problem. That is the Internet advertising problem. And the Internet problem, some would say, well, in the case of an Internet sale you have to go through a dealer. That is not necessarily true. In a State as big as Texas, for example, you could do an in-trust State sale consummated through the Internet. So I think, yes, we do need a comprehensive approach.

The point I am trying to make today is that there is a reason drug lords and terrorists want the specific kinds of firearms that
the ATF trace data says they want. There is a reason they want them. The first reason is they do the job they want, which is killing police officers and killing each other, to a large extent.

The second is they are readily available in the United States. These semi-automatic assault weapons that come from Romania, the WASRs and so forth, the SKSs, are cheap guns. It is ideal for their traffic.

So if you are asking me, would I like to see those guns outlawed, a new class of weapons outlawed, you bet I would. But what I am suggesting today is there is a way to stop that traffic. The President could do it, the attorney general could do it, by asking ATF to do what it has done in the past.

Mr. Flake. Thank you.

Mr. Tierney. Mr. Lynch, you are recognized for 5 minutes.

Mr. Lynch. Thank you, Mr. Chairman. I appreciate you and the ranking member focusing on this issue. It is one that has not in recent times received proper attention. And I want to thank the panelists as well. You have a great group here.

I have been Googling phrases like, “mayor assassinated in Mexico” or “police chief assassinated in Mexico.” The lawlessness in Mexico, and I realize this hearing is to look at our side if the border as well, I can’t help but compare—I have spent a fair amount of time in Iraq and Afghanistan, but especially Iraq—the lawlessness and chaos that was there from 2003 and coming forward, there are some definite parallels here. And I know Mr. Braun you have had experience there as well.

It would seem that at least as a threshold matter we need to have a situation in Mexico where the rule of law, their legal system allows the local population to have some confidence that with the proper application of the law the bad guys can be taken off the street. And I am not so sure, you know, just seeing the history here, that exists.

And it would seem that at some point we have to have a buy-in from the local communities there—the towns, villages, and cities—that they step up and cooperate like the population did in Iraq in taking the bad guys off the street. They need to have that confidence. Do we have that on the Mexican side of the border in any large degree?

Mr. Braun. Right now, I don’t believe we do have it. And I don’t believe there is a community in Mexico right now where the citizens have confidence in their law enforcement and other security personnel. I think that one of the most important things that needs to be done with respect to the Merida Initiative, and the way that I believe a great deal of that money should be spent, is to focus on building strong, lasting professional judicial institutions, fully vetted. In a place like Mexico where corruption has permeated virtually every level of government, it is the only way that this can be turned around.

So by fully vetted judicial paradigms, what I am talking about is, look, you can have the best trained and best vetted cops that money can buy. But as part of the judicial process, if one or more prosecutors are corrupt, it all falls apart like a house of cards. And if you have vetted and trained well your prosecutors but you have corrupt judges, to take it another step, corrupt penal institutions,
it simply won't work. So you literally have to start from scratch and build a fully vetted judicial paradigm in Mexico.

I have talked to Attorney General Medina Mora many times about this. He is in full agreement. He and Genaro Garcia Luna, the head of public security who has the largest uniformed Federal law enforcement agency, they are both in full agreement. They have started on their agencies and their plan is to then take it to local and State law enforcement agencies after they have cleaned up, you know, after they have cleaned up their own houses.

Mr. Diaz. Can I add a point of fact to that, please? There is existing through the State Department a very small but real program to develop exactly what you are talking about. And it is operating in Mexico. It operated in Colombia and I believe it actually operated in Sicily with the several different mafia factions. And it is specifically to build community support for rule of law.

I don't want to go on with the details. But this program does exist. You can find it through AID; they would be happy to put you in contact with specific people doing it. And it may be an area where more support would make this program work better. Thank you.

Mr. Lynch. Yeah, it must be pretty nascent. I realize my time has expired.

Mr. Tierney. Thank you very much, Mr. Lynch. Mr. Fortenberry, you are recognized for 5 minutes.

Mr. Fortenberry. I will yield to Mr. Mica.

Mr. Tierney. Then he will yield back to you.

Mr. Mica. Thank you. I appreciate your yielding, too.

I did have the opportunity to chair from 1998 to 2000 the Criminal Justice Drug Policy Committee which was eliminated during the last Congress. Unfortunately, the other side of the aisle hasn't paid much attention to this issue. I think Mr. Kucinich was the chair of the subcommittee. I guess it was Domestic, it got bounced to Domestic Policy. Lack of attention by this committee is not acceptable. I appreciate the new Chair starting this. And this should only be the beginning. We need to haul in Homeland Security, the ICE people, the CIA, and FBI.

One of the last appointments in this administration is a Drug Czar. And we need a Drug Czar appointed and confirmed. We need a full court press because our neighbor to the south is about to lose its sovereignty. When I went down there, I went under heavy police guard as the chairman, met in Mexico City, and I gave a speech to some of them. And I said you are losing your, you are going to lose your damned country. I used that expression. It was behind closed doors.

I was briefed by the CIA; I was briefed by the FBI and others before I got there about the level of corruption from the cop on the street to the president’s office. And you hit it on the head, Mr. Braun. The place has been corrupt and they are paying for it. You have to have, Mr. Diaz said, the rule of law.

And we have to provide our friends to the south, our neighbors—we have millions of incredible Mexican Americans, I have some in my family—who are just disgusted with what is going on, and it is not just about guns, you know, and they have tried to do some things, but we have to provide them the resources to do this.
Colombia lost control. We put Plan Colombia in and we gave them the resources. We worked with Pastrana. He sang Kumbaya and danced around. Uribe came in and was tough. They killed thousands just like they are killing in Mexico. But we have to help them regain control with a plan and a policy of that country. It is totally out of control. It is a slaughterhouse and it is on our borders and it is spilling into our cities.

So I am hoping this President, Congress—again I applaud you—but I want another hearing. And I want those people in that are going to run these programs and a plan to help the Mexicans regain control of that country.

And it is not just about guns. And I have been with the gun route folks. I am telling you that the world is, Mexico’s borders are a sieve and if they don’t get them from the United States—and it is not that we don’t need enforcement and we shouldn’t have export or transport of weapons laws—but we, you can’t just control it on that.

Part of it is education of people in the United States. Cut down the demand. The talk of legalization and the people, the biggest trafficking is still marijuana. Isn’t that true, Mr. Braun?

Mr. Braun. Yes.

Mr. Mica. And the rest of it is transit. They don’t produce any cocaine in Mexico that I know of. But there is an increase in heroin, Mexican. But that is U.S. market-based. So we have to have a better education program to stop the demand. Everybody agrees with that?

[Witnesses respond in the affirmative.]

Mr. Mica. Just “yes” for the record instead of a nod.

Dr. Selee. Yes.

Mr. Mica. Well, Mexico is turning into a narco-state. And we have to have in place zero tolerances. Let me give you an example about enforcement. If they don’t do it in Mexico and we don’t do it, tough enforcement of existing laws and, if we need it, other laws, what happens? I dare you to go out here to First and C Streets right near the Metro stop—I think it is First and C—and jaywalk when Officer Thompson is there.

Have you ever seen Officer Thompson? He will write you a damned ticket. He will hold you accountable. So nobody when he is there violates the law. Rudy Giuliani, working with him, New York City is still a safe venue because of zero tolerance.

So we have to do everything we can to work with the Mexican officials. They have taken some steps and I applaud them. They put the military there. And these pigs that would slaughter the military, I don’t know if you read this story about a month ago—they killed seven of the military and then, they didn’t use a gun, they used a knife to decapitate them, and then they put their heads in plastic bags, clear plastic bags, and dumped them in a mall to set an example for others who cooperated what they would do—these are the lowest scum of the Earth. And they are killing, they are letting the drugs that come in and kill our people on our streets. So we have to have a plan.

Mr. Chairman, I request our side will send you a letter this week—
Mr. TIERNEY. You were late. If you had been here at the beginning of the hearing, you would have heard that we have these things already planned.

Mr. MICA. Again, we need to bring in whoever it takes—but we don’t have any plan—to develop a plan and to follow through with that plan. I haven’t seen the President’s budget and his items, but we will work with him and work with whoever. I appreciate you all coming in today. And I appreciate again the chairman beginning the highlighting of this, taking this back under control. I don’t think I remember one single hearing on this issue during the last 2 years. But it is time we get engaged. And again I applaud you for doing that and will work with you. I yield back.

Mr. TIERNEY. Thank you very much.

Mr. Fortenberry, now you are recognized for 5 minutes.

Mr. FORTENBERRY. Thank you, Mr. Chairman, for holding this hearing.

Gentlemen, thank you for appearing today. Should National Guard troops be sent to the border?

Dr. SELEE. You know, I think the good thing that is happening right now is the cooperation between the United States and Mexico. We are seeing for the first time a real scaling up of the kind of dialog, and I think the hearing today is one of the examples, us talking about our responsibilities on our side. The Mexican Government has in a way that we have never seen before picked up their responsibilities and said, this is our issue, not because we want to stop drugs coming to the United States but because it is a security issue for us. Sending the National Guard to the border I think sends the wrong message to Mexico. And I think it would be seen——

Mr. FORTENBERRY. You said wrong, wrong message?

Dr. SELEE. The wrong message. I think it would be seen as moving against the cooperative spirit that we have right now. It would probably reduce some of the very productive engagement we have.

One of the reasons, and this goes to something that Mr. Braun just said, one of the reasons why you are not seeing the killings going on in the U.S. side of the border is that Mexican cartels knows that they have very little chance of being thrown in jail for what happens on the Mexican side. The long term solution to this is creating a judicial system and police forces, critically at a State and local level, that are capable of making sure that the traffickers have the same concerns on the Mexican side, that they are as careful as they are on this side about not getting on, not doing anything that calls the attention of the authorities.

But in the short term, we have a government in Mexico right now which is trying to do the right thing, which is working very closely with the U.S. Government. And I would say this cuts across party lines in Mexico. I mean, this is something that Mexicans have decided is a critical issue. This is President Calderon but it is also a variety of parties. And anything that we do that is unilateral, seen as a unilateral step, is likely to undermine that.

And if I could just say something on general situation in Mexico—I spent a lot of time in Mexico—it is worth saying the country is not exactly in flames. I mean, there are three cities that really are in a very serious problem. Most places you are not worried
about being killed when you walk out on the street. That said, you are worried about the fact that if something happens to you, you don't necessarily have police forces or a judicial system that is going to back you up, that you trust.

And that for a democracy—and Mexico has, you know, 9 years as a democracy—is a critical question. And the question of whether this succeeds is a question of whether you build those institutions. The Mexican Government is trying to do it. There is judicial reform. There is police reform. There are some real efforts here. But it is the kind of thing we need to get involved in and do what we can do on our side as well.

Mr. PATON. Mr. Chairman, Congressman, I would say yes and no. We have had the National Guard on our border in Arizona. We had some Guard units from Utah and elsewhere that were there. They serve in an auxiliary capacity; they assisted the Border Patrol. And I think they were very effective in doing what they did. I don't think it is a good idea to have U.S. soldiers patrolling with M–16s and the rest. We need them elsewhere. And as a soldier myself in the Army Reserve, I can tell you that many of those units are already deployed somewhere else. But we can certainly use them in an auxiliary capacity and we have done that effectively. And I think that it has affected our State dramatically when those Guard troops were pulled.

Mr. FORTENBERRY. Maybe the question is a little too broad. And going back to what you said, Mr. Selee, and combined with what you are saying, Senator, there are three significant areas of difficulty as you pointed out. Backup capacity until some of the ideas that you are discussing today, using the National Guard as backup capacity until sufficient local resources, national resources are augmented to bring the trouble spots under control, is that, perhaps, a better way to think through preventing an emergency-type crisis that would spill over into the United States?

Mr. PATON. Mr. Chairman, Congressman, I would say that it would be effective to have them in an auxiliary capacity. But the other problem, like I have said before, is they are going to be catching people as they go through. They are going to be stopping shipments of drugs and the like as they go through. The problem is, once again, that infrastructure that goes along with it of prosecuting, convicting, jailing the offenders.

Mr. FORTENBERRY. All right, well, let us move to that question because that is the second part of my question. What are the common sense, simple initiatives—and, Mr. Braun, you can answer both of these if you like—that can be implemented quickly and would have the most impact that are not currently being implemented? You made reference to one, how we don't scan license plates to see if they are stolen vehicles or not. Now, that would be, in my mind, at least a very simple thing to implement quickly and be a part of a broader book, one chapter of a broad book of solutions.

Mr. PATON. Mr. Chairman, Congressman, I would say that in that process, there has to be better coordination between those license plate readers and Customs officials at the border and the Border Patrol officials. A lot of times, they are going down I–19, they scan them but they don't have enough lead time to let them
know to catch the bad guys as they go through. I think, though, that is the right idea.

And I think if was tried massively, the whole point is that we should be paying as much attention to people leaving the country as we are paying attention to people entering the country. Because they are largely the same people. And we, when we interdict them leaving, we are also finding that they have, they pop up on our system for drug smuggling, other offenses, murders, rapes, etc. We can catch them then. And a lot of them are skips. They have committed crimes in the United States, and they are fleeing the country to evade crime or prosecution.

Mr. Fortenberry. Mr. Chairman, has my time expired?

Mr. Tierney. It has expired, but we are going to do another round.

Mr. Fortenberry. Thank you.

Mr. Tierney. And it won't be very long before we get to you again.

Mr. Burton, you are recognized for 5 minutes.

Mr. Burton. Thank you, Mr. Chairman. I don't know how many hearings I have been to in my political career about this issue. I would imagine 100, 150.

Mr. Tierney. And yet you come again. This is wonderful. [Laughter.]

Mr. Burton. Yes, I come again because, you know, because I really would like to find an answer. And when you take an 18 or 19 year old kid and he is driving a brand new Corvette with a gold dash and a wad of money in his hands that is maybe $10,000 or $12,000 in a city in the United States and somebody arrests him or knocks him off and there are 10 guys waiting to take his place, it makes you wonder about how you deal with that problem. I think, and I hope, Mr. Chairman, we will go down to the Mexican border. I would love for you to have a hearing down there; I would love to go with you down there and check some of the things that are going on first hand.

But let me just ask a couple questions. Senator, you were talking about the turnstile down there, how people could just walk across the border coming from the United States. They could smuggle stuff in, which is more difficult, and then they take the money and just walk across the border. So it is very easy for them to continue their business activities. Do you think that it would be wise for the President to say, OK, we are going to send the National Guard and/or the military? He could suspend, if he wanted to, to send the military down there. I know that is a dangerous thing and most Americans don't want that to happen. But do you think that in certain parts of the Mexican-American border we ought to do that?

Mr. Paton. Mr. Chairman, Congressman, I would say that to some extent, but as I said before, I think in more of an auxiliary capacity to assist the Border Patrol that is already kind of familiar with the area and the terrain. I think that would keep our soldiers from getting into bad situations, that they might do things like they would do in Iraq but they might not be able to do here in the United States. I think that furthering, encouraging Mexico to do something about their border security issue would assist us dra-
matically. Because like I said, our people smuggling and drug smuggling problems are their gun smuggling problem.

Mr. BURTON. Let me just say, Mr. Chairman, over 70 percent of the people in prison in the United States, according to law enforcement officials, are there for drug related crimes. It is costing $35,000, $40,000, $50,000 a year to keep each one of those people incarcerated. It is absolutely breaking many States because there are so many people and they can't keep track of them all, can't keep them incarcerated. They are letting them out because they are overcrowded. And it is all drug-related crime.

And I would just submit to you, I think drugs are the scourge of the Earth. I think that anybody that deals in drugs ought to be put in jail permanently or killed. That's how bad I think drugs are. But as long as you can make the exorbitant amounts of profit, you are going to be able to bribe police, you are going to be able to bribe the public officials. You are going to be able to do all kinds of things. And unless the United States and Mexico and other countries are willing to make a complete commitment like they have in some other countries in the world and put these people away permanently, we are never going to solve the problem.

I have been in government at the State and local level since 1967. And as I said before, I have been to over 100 of these hearings. And every time, I hear the same thing, you know, what we have to do. We have to put more money into law enforcement. We have to have more help from our neighbors. We have to police the Mexican-American border. And nothing ever changes except it gets worse.

And so we in the United States have to come up with a plan that is so onerous that we scare the hell out of the drug dealers. And if we are not willing to do that, we are never going to solve the problem. And I am talking about if they are arrested once, we give them a penalty. And if they are arrested twice, they spend the rest of their life in the slammer. And if they do something that involves somebody's life, we kill them. Now if we are not willing to do that, I my opinion, we are never going to solve this problem and it is going to continue to get worse. And until we really realize that, until we really come to grips with this, the problem is just going to get worse and worse and worse.

And any time we have a hearing, Mr. Chairman, and we listen to our witnesses, I have had—when I was chairman of this committee—I had the highest law enforcement people in the United States before this committee and asked them a number of questions, one of which was this: If you took the profitability out of drugs, what would happen? And they said, well, they wouldn't sell them. They said, you are not talking about legalizing them, are you? I said, no, of course not. I want anybody dealing with drugs to be punished to the full extent of the law and even more so.

But the point is as long as you can take something that costs $100 and sell it for $10,000, you have a big problem because there are more and more people that are going to jump into it and it is very difficult to get rid of them. And so I would just like to say that we in the United States have to make a complete commitment to dealing with the drug problem, and I mean severe commitment: putting people away, giving them the death penalty, life imprison-
ment after a second offense not a third offense. And until we are willing to do that, in my opinion, we are never going to solve the problem.

And I hate to get emotional about this, Mr. Chairman, but when I see people I know and their kids dying because of drugs and going to jail because of drugs because somebody got them into it, it becomes a personal thing. And we really have to make a very committed effort to deal with the problem. And just doing what we are doing right now will never solve it, in my opinion. But I do hope we hold, have hearings down on the border.

Mr. TIERNEY. Thank you. We will. And, you know, I am going to ask a question that emanated from reading the Economist this week. I don't know if people read it or not, about taking the profit out of it. And if you are still here, I would love to get your reaction to that.

But at this point let me say, you know, it is sort of a red herring here. Whenever we try to narrow down and focus on just a couple of issues—this one being the money that is being brought over, hard cash, the idea of maybe trying to lessen demand through education or whatever, or even deal with some of the high powered weapons that are really giving them the power to force corruption on people or to scare them into it—some people want to say, oh geez, like we are just focusing just on that and there is a bigger problem. We understand there is a bigger problem. There are other committees dealing with other parts of it. And we will deal with other parts of it. But we need a comprehensive approach. And the things we are talking about today, I think, are significant. I guess you do, too, or you wouldn't be here talking about them. But I don't think we just dismiss it by saying oh, it isn't guns or it isn't money or it isn't lessening demand. It is those things as well as addressing the corruption, as well as the rule of law questions, and the infrastructure that Senator Paton I think rightfully brings up here. And they are some things I hope our Judiciary and Appropriations Committees listen to, and we will share that with them. It is also controlling the border and enforcing existing law and also interdicting trans-shipments and things of that nature. But it also is the things we are talking about today, including, you know, the high powered weapons that are being used. The intimidation is a big factor in getting the corruption. Would you agree, Mr. Braun?

[Witness responds in the affirmative.]

Mr. TIERNEY. And several of you have served over in Iraq or Afghanistan. This is what you get to go over there and fight terrorism, the extremists and things of that nature. This is what you get. I don't know the justification for having a civilian arms market selling to civilians this kind of weaponry and that kind of a gun. This isn't for, you know, for civilians to fight a war. This is, what, for hunting or for sport? Mr. Diaz, Mr. Paton, I mean, maybe Mr. Paton you want to start because the first thing you were talking about was, oh, we don't need more laws, we don't need to control. Why don't we need to keep this from the civilian market?

Mr. PATON. Mr. Chairman, in answer to that question, I guess I would ask the same question about grenades and M–16s and AK–47 and other things that are already illegal——

Mr. TIERNEY. As would I. Feel free to answer on.
Mr. PATON. And they are still, Mr. Chairman, they are still being sold and bought in Mexico. Mexico has all of these laws that have been talked about; they have done them no good. But they have 15 years—

Mr. TIERNEY. That is because 90 percent of them are coming from this country.

Mr. PATON. Mr. Chairman, Mexico has a 15 year sentence for possession of some of these weapons and they have not been able to stop them. And I don't understand how we can stop them as well.

Mr. TIERNEY. But we have talked about the problems that they are having with their law enforcement. We all admit that they need to have enhanced law enforcement, that they have trouble with the judiciary system, trouble with corruption, trouble with all of that. We are talking about this country.

Why is it that it is so easy for them to come to this country and buy something of this size and bring it back over there? Mr. Diaz, why don't you give it a shot?

Mr. DIAZ. I think it is an ideal subject to talk about this comprehensive problem. Mr. Paton brought up several times the question of what we would call military armament—stuff that is already illegal not only in Mexico but in the United States—fully automatic machine guns, hand grenades, rocket launchers. Those things are indeed showing up in Mexico. There was a big raid in Raynosa back in, I guess, last November and yeah, there were grenade launchers, LAW rocket launchers, 278 grenades.

But here is where the integration comes to this: Seven Barrett .50 caliber sniper rifles—fully legal in the United States—the Barrett sniper rifle, the gun that fired that kind of ammunition—and the one on display out here is simply a knock off; it is an AR–50; people said, oh, Ronnie Barrett has a great idea here, let us make our own—that is a civilian weapon. It is very attractive to the gun runners. The so-called mata policia, the Hearst-style handgun also showed up in this raid. So the point is they want both. They want the military weaponry and they want the civilian weaponry.

Now what ties them together? I would make the argument that what allows criminals to exercise force, and here I am talking about the gang problem in the United States, is firearms. Whether it is a running gun battle that went for two blocks in the city of Los Angeles with a drug gang, guns give the power of force to these criminal organizations. Now we know that, from reports published by the National Gang Intelligence Center, that one source of these military-style weapons that are showing up in illegal traffic are gang members in the military.

My point is that this is all a related problem. I understand it is not only firearms, but firearms are the force leverage that we talk about. They make gangs, the street gangs like MS–13—Mara Salvatrucha—and 18th Street that are heavily integrated into these drug organizations, they give them the power to control neighborhoods in the United States. They give them the power to control corridors. They give them the power to be the foot soldiers for these people. So it is an integrated problem. It is not just military weaponry or civilian weaponry.
These .50 caliber rifles that do the job, in my opinion, they should not be available for unfettered sale to civilians. Now, what the Violence Policy Center has recommended is let us treat them as the weapons of war that they are. Let us bring them under an existing law, which is called the National Firearms Act, under which machine guns, fully automatic weapons, hand grenades, rocket launchers, and other weapons of war are regulated. It is a stricter regimen. They are harder to buy.

It took me about 6 hours to legally buy that gun and register it in the District of Columbia after I found it on the Internet to make the point that in the Nation's Capital, where there are so many high profile targets, it could legally be purchased. Not only could that gun be legally purchased, but armor-piercing and incendiary ammunition for that gun could legally be purchased and shipped through ordinary parcel post. Now the law in the District of Columbia has been changed and that gun has about a 3-year life span before it has to be gotten rid of.

But the point is some civilian military-style weaponry, which has become the focus of the American civilian gun market, now is every bit as deadly, every bit as desirable, every bit as power-enhancing as the military stuff. And it is a lot easier to get. Why wouldn't you come to the United States and go to a gun show and buy one of these? You can go to any gun show in America, I guarantee you, and see something like this on the table. And probably not being sold by a dealer, which means you don’t have to worry about the so-called straw buyer, you don’t have to worry about the background check. You walk out in the parking lot and say I like that, I want five more of them.

Thank you, Mr. Chairman.

Mr. Tierney. Thank you, Mr. Diaz. Mr. Flake.

Mr. Flake. Thank you. Mr. Selee, I am sorry, Mr. Braun, you mentioned that the Mexican Government can win this war on the cartels. What kind of timeframe are we looking at here? You mentioned that it is kind of a perfect storm now with everything going on that is causing the violence.

If the Calderon government had just said we are going to take the position that the last government did and not confront these cartels, would we be seeing this level of violence? How much is this a result of the stepped up enforcement actions on the part of the Mexican Government? And then, as far as a timeframe when do you think this can be won? Or is it going to require more cooperation from us like we have in Colombia?

Mr. Braun. Congressman, look, it is going to take a lot more cooperation from us and help in the way of both funding and expert advice, guidance, mentoring, and that kind of thing not only to Mexican law enforcement personnel but their military forces as well. You know, I wish I could answer the first question as to when is this going to all end. If I could do that, our newly formed company could probably go from the red into the black very quickly. But I honestly believe that it is going to get worse before it gets better, just as it did in Colombia. But I believe wholeheartedly that Mexico is already beginning to turn the tide. But, you know, they have another probably year and a half, 2 years minimum that there is going to be a lot of conflict going on. I don’t know if it is
going to be as bad as it currently is, but there is a lot to unfold yet.

With that said, the second part of your question—had this gone unchecked—I am telling you based on what I know and the high level folks that I have talked to from Mexico, President Calderon, after being advised by his security advisors and others, came to the same decision that a lot of other high level folks in Mexico did. If they didn’t take this on, Mexico was going to devolve into a narco-state before the next decade. And General McCaffrey’s report recently on his study came to that same conclusion.

So, you know, as hard as this is to grasp, as hard as it is to stomach, and as hard as it is for me to say, I believe what we are seeing here with all of this carnage is really a product of the success of the strategy. The cartels have never been pressed and never been pressured like they have been over the past 2 years. And they will ultimately fold if we help our Mexican counterparts. If we don’t help them, there is a chance they could lose this. And if they lose it, it is going to, you know, our mistake will cut deep into both sides of the border, into our national security, into our economies, into our cultures.

Mr. FLAKE. Mr. Paton, I was interested in your discussion of going down to Mexico and looking at some of these cooperative agreements that we have there. Is it your view that the Mexican Government is anxious to cooperate with us and anxious to welcome our assistance in these areas? A lot of people are under the mis-impression that we give foreign aid to Mexico. Our aid to Mexico is in the form of drug interdiction and cooperation and other things. Is this working? Have they been cooperative enough with us in that regard?

Mr. PATON. Mr. Chairman, Congressman Flake, my visit with the Mexican officials—and we are also trying to put on our own field hearing of our Judiciary Committee, which has never been tried before, but we want to actually hold a committee hearing in Nogales, Sonora on this very issue—they are very interested in working with us. I think they have been extremely courageous to stand up and fight the cartels as they have. Some of them are obviously suffering from corruption and the problems that go on there.

But I think that rather than just looking at it as foreign aid, I would say that whatever agreements we can use so that we can train them in our own evidence collection techniques and the rest will benefit us in intelligence gathering in the United States. Much the same way, when I served in Iraq, we worked with the Iraqi military and the Iraqi police, we gleaned that intelligence that we were able to use in our own capacity. We could do that in Mexico. So it would actually benefit us in the long run rather than just benefit them.

Mr. FLAKE. Thank you.

Mr. TIERNEY. Thank you. It is too bad that Mr. Mica had to leave because somebody just handed me a report. He was asking about the Obama administration’s approach. Apparently, there was an article in today’s paper where he was quoted as saying he expects “to have a comprehensive approach to dealing with issues of border security that will involve supporting Calderon and his efforts in a partnership, also making sure we are dealing with the flow of drug
money and guns south, because it is really a two-way situation there.” So, we will certainly explore that more when we have our own hearings on that. But that is an indication of the direction.

Let me just—that article that was in the Economist that I referenced in my opening remarks sort of goes beyond where Mr. Burton was and I want to bring it up a little bit—I am going to describe, give you a little book report on the premise and just get reactions on this. The premise makes much to do about the fact that this is such a lucrative, illegal industry for people, that there are $322 billion a year and that obviously people will fight to the death to protect that kind of profit.

So the article says first that since the first international effort to ban trade in narcotic drugs, which was in 1909, the article says the effort has failed. It recounts the 1998 U.N. promise of a “drug-free world” or the promise of “eliminating or significantly reducing the production” by 2008, that is the production of opium, cocaine, and cannabis.

And it says that has failed. It says even if the claim that close to half of all cocaine produced had been seized, the street price in the United States does not seem to have risen. It claims that the market is stabilized, but it means that more than 200 million people, 5 percent of the world population, still take illegal drugs. That is about the same proportion as took illegal drugs a decade ago. It says the United States spends $40 billion a year trying to eliminate drugs. It says the United States arrests 1.5 million people per year in drug related offenses and jails half a million of them.

The Economist claims that the struggle has been “illiberal”—how unusual for the Economist—“murderous, and pointless.” It says the prohibition strengthens the efforts of warlords. It said the street price is more involved with the risk of getting drugs into Europe and the United States and that even if the source is disrupted, business adapts to a new location.

And then it talks about Afghanistan being a failed state and drugs moving from there. I guess it references South America where it might go from Peru to Bolivia to Colombia. Wherever you push it at one point, it goes to another. And their fear is, of course, that the drug gangs will team up with the terrorists and the money will get together and be a problem. It says $320 billion a year in the illegal drug industry results in weapons, terror, and corruption.

And then it talks about five different things: shifting the focus to prevention and treatment; maintaining an effort to interdict and go after traffickers; banning the sale to minors; decriminalizing, regulating, and taxing to take the profit out of the illegal industry; and then using those revenues and savings to guarantee treatment. Can I just have the reaction from left to right of folks there? Dr. Selee.

Dr. Selee. Well, I think they have hit some of the major points. There is de facto a bit of decriminalization going on in this country in a number of States, actually. And, in fact, the Economist article cites this. A number of States really don’t enforce particularly small time use of some narcotics. I think it is worth studying and seeing what the effect of that is on the overall market, if that is being successful.
I don’t think there is a serious debate in this country right now on legalization. We could debate philosophically whether we think there should be or not. But we do have some experience with decriminalization, just simply states that have decided, and in fact, Seattle—where our new director-designate of the ONDCP is coming from—is one of the areas that has tried to decriminalize some small time use. It is worth studying and seeing whether that is effective. I would certainly say the other elements, investing in treatment and so on, these are the ways to go. Investing in treatment, investing in enforcing where the harm is greatest, that is the way to go.

And if I could, Mr. Chairman, just say something very quickly on a question you raised earlier and something about President Obama’s statement yesterday. I think one of the key questions on coordination on this, not on the money laundering piece but on the broader question with Mexico, is this may be the kind of thing where the NSC is particularly useful at taking a leadership role and bringing together domestic policy and foreign policy networks in the government. This may be the kind of issue which is high enough level that you can only begin to get the kind of comprehensive approach you are talking about and that President Obama was talking about if there is leadership from the White House saying, let us pull together Homeland Security, let us pull together Justice Department, State Department. Everyone has a piece of this larger—Defense Department—there are pieces of this that everyone is doing and doing well. But unless we do it together in a more coordinated way, I don’t think we get to the right solution we want.

Mr. TIERNEY. Thank you, Mr. Selee. Mr. Braun.

Mr. BRAUN. Thank you, Mr. Chairman. Listen, with respect to just legalization, it is the old saying: We are doomed to repeat history if we don’t know it, if we are not aware of it. The worst period in our Nation’s history with respect to drug abuse was that 30 to 40 year period after our Civil War—the “Soldier’s Disease.” You could walk into any drug store in our country and you could buy cocaine, morphine, heroin, or opium off the shelf because it was unregulated.

The hue and cry went out to your predecessors back in those days that the Federal Government had to step in and do something about it and regulate this stuff and somehow get some kind of a control on it. Because it was ripping apart the fabric of our country, one family after another. There has not been one country anywhere in the world that has decriminalized drugs—even marijuana—that didn’t eventually recriminalize drugs because workplace incidents of injury skyrocketed.

Incidents of drugged driving and highway accidents and deaths skyrocketed. School equivalency and efficiency tests plummeted. I mean, I could go on and on. There is plenty of history that clearly shows legalization will not work. You can’t tell that I am passionate about this.

Mr. TIERNEY. I trust you will be sending a letter to the Economist. [Laughter.]

Mr. BRAUN. Well, going back to the Economist—just one other piece—the evidence is in. We are experiencing, I think we are now into just beyond the 2-year mark of significant continued increases
in price of both cocaine and methamphetamine, they are still conducting studies on the heroin now in our country, and continued, significant decreases in purity. A lot of that has to do with President Calderon and what is going on in Mexico. A lot of it has to do with what is happening in Colombia and what has happened in Colombia over the last several years. And there are some other dynamics that play here as well. But those are the facts. Thank you.

Mr. TIERNEY. Senator, go ahead.

Mr. PATON. Mr. Chairman, I just wanted to say in reference to that, in my own State, I conducted extensive hearings on Child Protective Services and the statistic that I was given from Child Protective Services was this: 95 percent of their removals for children who were abused or neglected by their parents were methamphetamine-related. It is not a victimless crime.

And the bottom line is if they decriminalize that, you are going to see more child abuse; you are going to see more problems with those children. Six children in my district in a 1-year period of time were killed by their parents. All six cases had one thing in common—methamphetamines. And in one of the cases, there was a little girl, her body was found in a storage facility in Tucson. Her brother, they couldn't find that body.

And the accused said in the interrogation, if you give me meth, I will tell you where I put my son. That is the effect the drugs are having. That isn't the illegal buying or selling. That is just the using, the effect that it has had in my district.

And I can tell you that we have a methamphetamine epidemic. It used to be made in the United States, in Arizona. Now it is being made in Mexico. And those precursor chemicals are being shipped from China and elsewhere into Mexico and they are flooding our State. And I can tell you that it is killing children in my own district.

Mr. TIERNEY. Thank you, Senator. Mr. Diaz.

Mr. DIAZ. Thank you, Mr. Chairman. The thing I find most encouraging about this hearing is that, as Mr. Flake said, it is opening a broad discussion of ideas. There is a whole spectrum of things you could talk about with drugs. Drug policy has been sort of the third rail of what elected people all over the country are wanting to talk about.

I think it is encouraging to see that might be a subject of discussion. It put me personally in mind of a man named Herman Kahn who wrote a book called “On Thermonuclear War.” He is a famous nuclear strategist and he wrote about something that was called the white slave problem in Victorian England. And essentially what it was, women were being kidnapped off the streets of London and put into the prostitution traffic, just as we today have sex traffic. But nobody knew about it because in Victorian society you couldn’t talk about it.

So he, in “On Thermonuclear War,” talked about thermonuclear war and people said that was thinking about the unthinkable. So he wrote his next book and titled it, “Thinking About the Unthinkable.” So I think it is great that committees like this are willing to engage this question.

And there is a whole spectrum. It is not just legalization. But I do know that drugs do drive the things that I know about. They
drive the criminal street gangs, who are the primary retail distributors. So something has to give here. The second thing I think it is, as several of the speakers before me have pointed out, it is a hydraulic system. Whether it is enforcement, we stop the movement of drugs through Florida and they end up moving through Miami. The same thing with guns.

Maybe, and I hope that Senator Paton’s straw purchaser law will be more effective in Arizona, but we have 50 States and lots of other places. So it is a hydraulic system. And I like the fact that you are willing to look at all those integrated together.

Mr. TIERNEY. Thank you, Mr. Diaz. Mr. Flake. Mr. Fortenberry.

Mr. FLAKE. I yield to Mr. Fortenberry.

Mr. FORTENBERRY. Thanks again, Mr. Chairman. I want to follow up on the previous questions I had asked. Mr. Braun, you didn’t get a chance to answer. The reason I raised the issue of National Guard troops to the border is that it clearly has been raised elsewhere and may come to dominate this discussion in the coming days or weeks. Again, an opinion on that, but going back to the second phase of the question, what are the simplest things that can be done first and implemented easily that will have maximum impact?

We talked about this issue of—which seems to me to be quite simple—one of technology monitoring traffic for stolen vehicles going out of the country. That clearly would, at least in my view, it would be easy to implement. But we have talked about a range of things today including interdiction, law enforcement, increased detention capacity, border control, social programs, and diplomatic initiatives which have to be a part of this entire continuum. And I agree with that. But again, Mr. Burton said, I have had 150 hearings on this similar problem, growing perhaps in intensity. What are immediate steps that can be taken that perhaps are somewhat simple but can be leveraged for maximum impact quickly?

Mr. BRAUN. Congressman Fortenberry, thanks for the opportunity to talk about the National Guard and our military. The National Guard, there is a role for the National Guard and, in fact, the National Guard has supported DEA for many, many years. They have provided us with additional intelligence analysts that we needed along the border. They have intelligence analysts assigned to the El Paso intelligence center, just as our Department of Defense does. They bring to bear some very high tech equipment like seismic technology to locate and identify those tunnels that pose such a real threat to our national security on the southwest border. So they are engaged and they are involved. They have been for a long time.

I would agree with Mr. Paton, though. Having National Guard or our military in uniform, armed, on the front lines on our border, I think poses some major issues. I believe you will probably all recall the very tragic incident outside of El Paso about 10 years ago when a young Marine—who was on just simple observation, performing simple observation duty—confronted a young kid that was actually, as I recall, a goat herder and who was armed with a .22 rifle. And the kid pointed it in the wrong direction and he paid for it with his life. And that turned into, well, just a very tough thing for both of our countries to manage and deal with, both the United
States and Mexico. So I am just saying that we have to be, you know, vary cautious and prudent and judicious with how we use our military folks.

Some short term solutions, I agree with you, I think technology brings a lot to the table. The LPR, or the license plate readers, DEA has worked very closely with CBP in Texas and I believe also in Arizona, Mr. Paton and Mr. Flake, and with tremendous results. What needs to be done, I believe the way they work best, obviously, at the Border Patrol checkpoints that are 20 or 30 miles inland, before those vehicles make it to the POEs, they have time to flash the plate using technology, make the inquiry, and then determine if the vehicle or driver of the vehicle—not particularly the driver of the vehicle but the registered owner of the vehicle—might be suspect or has shown up suspect in some activity in the past. Those things on pilot programs have—I am telling you what—it is good stuff, good technology. And I believe we can make and need to make much better use of it.

With respect to LPRs, though, I would simply say that you know, as we have seen so many times in the past, you have DEA with their interests; you have ICE with their interests; you have CBP with their interests. Someone needs to be placed in charge of this effort. If we are all out there buying these things, we ought to at least be buying the ones that we can integrate together into one system so that the information can then be quickly and very effectively shared. Mr. Selee and Mr. Paton have both brought up, you know, that point earlier. Thank you.

Mr. Tierney. Thank you, Mr. Braun. Thank you, Mr. Fortenberry. Mr. Flake.

Mr. Flake. I have to run to the floor, unfortunately, now and I think we are about to end. But I just wanted to say in closing that I appreciate, this has been a very illuminating hearing and I appreciate all of you for your testimony. And I will just end with one thing I started with. I hope that we can—and this is only a Federal issue, we have to do this in Arizona; we are in a bad way because of the Federal Government’s failure to adequately secure the border—but one thing that would help would be to have comprehensive immigration reform and to have a meaningful temporary worker program where legal workers can come and go.

And when we have had other versions of that—we don’t want to recreate the baser [phonetically] program, believe me—but when you have a legal framework for people to come and go, then you can free up the resources that we desperately need to build the infrastructure that Senator Paton talked about to adequately deal with this issue.

So I hope that we can get off the dime on a number of issues here at the Federal level to improve the situation. But this has been a very good hearing. I thank the chairman for calling it.

Mr. Tierney. Thank you, Mr. Flake.

And again, thank all of you for your contribution here today. I think we have an idea of some things we should pursue, from technology on the border to infrastructure investments that need to be done, toward at least addressing the idea of what nature of guns are going south and what we might to do lessen that—both in the quality and kind of guns that are going down as well as the num-
bers—and the money, and, of course, the usage of the consumers on this end.

So thank every one of you for your contribution. I leave you only with one request that you needn’t comply with because I don’t have any right to give you homework.

But one area that we didn’t get into was precursors, although we mentioned it at a couple points. If any of you have information that you think the committee should focus on or have their attention drawn to about the role of precursors coming in, where do they come from, where do they transit on the way through, is there a role for the United States at all to be involved with trying to deal with that issue, we would certainly appreciate it and we will share it with the other Members on that. So again, thank you very much.

Thank you, Mr. Flake.

Meeting adjourned.

[Whereupon, at 12:05 p.m., the subcommittee was adjourned.]