



Border Trade Alliance

Presents:

Trade & Security: 
The Impact On Logistics

August 2, 2012
Four Seasons Hotel
Mexico City



Border Trade Alliance

The issues of Organized Crime Business in Mexico

By.-Carlos Angulo. Congressman Elect (PAN Chihuahua, Mexico. BTA Board Member



Is Mexico at War?



For the past six years, Mexico has been involved in a huge struggle against Organized Crime, that has cost many lives. This great effort has not been fully understood by the Mexican people, and has been used by the local and international media to create a very bad image of Mexico, that has been used by President Calderon's opposition to destroy the image of his government.



The main elements of the issue

- The existance of a market.
- The atomization of power in Mexico.
- Lack of employment growth in Mexico.
- Weak public security and justice institutions.
- Corruption of Mexican officials.
- Lack of human development infrastructure.
- Weak family environment.



First, we need to clear some main concepts about Mexico

- Mexico is a strong and active country in the world arena.
- Mexican people are hard working, intelligent, creative, actively creating a democratic and orderly state.
- Criminals are a minimum part of Mexican society.
- Mexican economy is one of the most stable economies of the world, and is growing at a good pace.



Government policy on the Organized Crime issue

- Disrupt the Organized Crime Hierarchy.
- Block the drug routes into the United States.
- Establish security perimeters in the boundaries of big cities.
- Organize all public security forces at the state and municipal levels.
- Locate and prosecute corruption in arm forces and federal, state and municipal police forces.
- Promote and help the development of social infrastructure.



Business activities of Organized Crime

- Drug production and distribution, including import/export.
- Extortions and sale of “protection”.
- Kidnapping.
- Human trafic (*“trata de personas” prostitution, child pornographie, etc.*).
- *Contraband.*
- Sale, distribution and production of counterfeited merchandize.
- Illegal gambling.



The Old Narcobusiness Paradigm:

Production → Transshipment → Export

The New Narcobusiness Paradigm:

Production → Domestic Distribution → Transshipment →
Export → Domestic Distribution in Export Markets



Government policy on the Organized Crime issue

- Dismantling of government protection networks.
- Attacks against logistical and financial coordinators
- Identification of criminal groups thruoug substantial increase of intelligence.
- Establishment of a nation wide criminal oral trial system.
- Substantial increase in law enforcement related budgets.



Genesis of Organized Crime Players

**Guadalajara
Sinaloa**

**Felix Gallardo
Hector (Güero)
Palma**

70s



Genesis of Organized Crime Players

Guadalajara

Felix Gallardo

80s

Juarez

Carrillo Fuentes

Tijuana

Arellano Felix

Sinaloa

Chapo Guzman

Golfo

Garcia Abrego

90s



Genesis of Organized Crime Players

**Sinaloa
Pacífico**

**Joaquin (Chapo)
Guzman
Beltran Leyva**

2000

Michoacan

Nazarío Moreno



Organized Crime Players Today

**(Sinaloa)
Pacific
Federation**

Norther
Pacific Coast,
Chihuahua,
Sonora and
Baja.

Zetas

Operates
in 17
states

**Gulf
Cartel**

Gulf Coast.
**Pacifico Sur
Cartel**

Guerrero
and
Michoacan

**Acapulco
independent
Cartel**

Acapulco

**Juarez Cartel
(La Linea)**

Chihuahua,
mainly Juárez.

**Templar
Knights**

Michoacan

**Tijuana
Cartel**

Tijuana

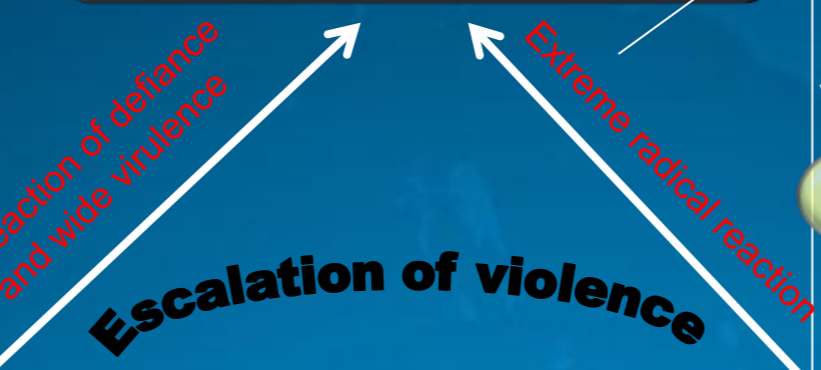
REALIGNMENT OF CRIMINAL ORGANIZATIONS



1

2

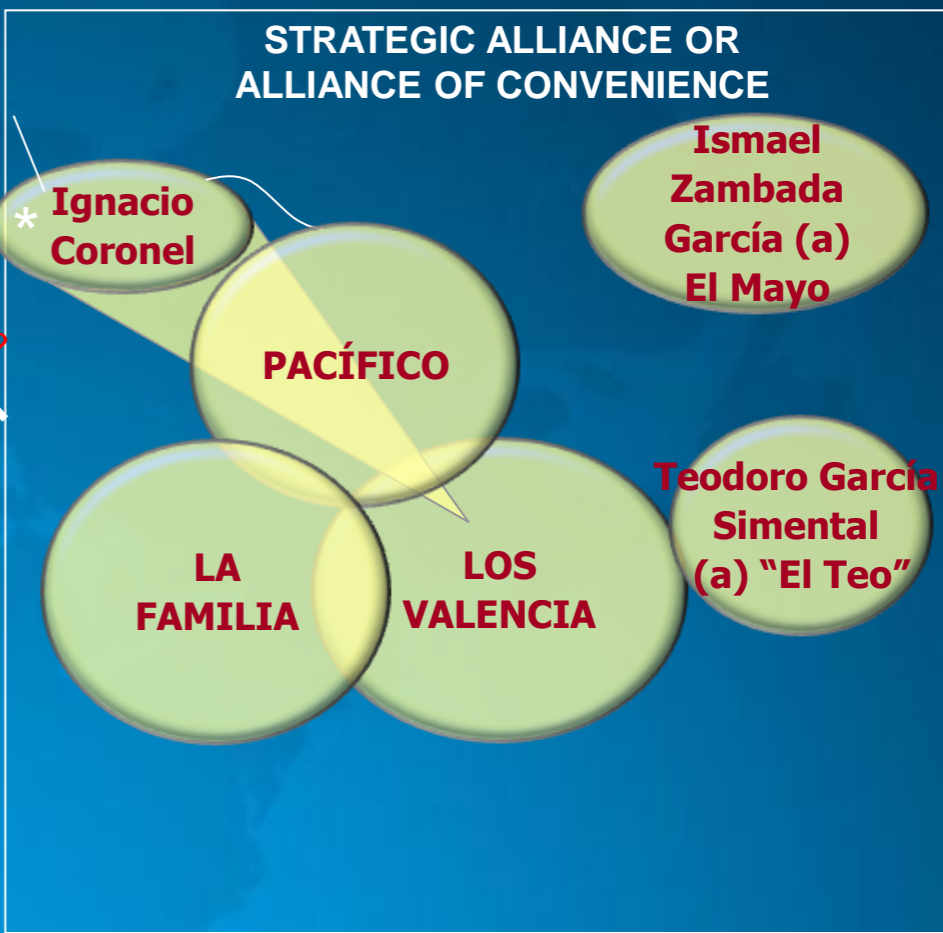
MEXICAN STATE



Catalyst
Tort – State against Criminal organizations
Detention of intermediate operators

Catalyst
Dismantling of protection, networks, institutions, leaders, ideologues, and logistical and financial coordinators

Temporary increase in violence among organizations



SCENARIO A

SCENARIO B

References supporting the establishment of convenience alliances

- June 2008. Miguel Treviño — Arturo Beltrán meeting at Perisur, Mexico City
- February 2008. J.C. — Miguel Treviño link in Juarez City against Joaquín Guzmán Loera
- End of february 2009. Meeting of Golfo/Z — Beltrán Leyva representatives in Michoacán, boundaries of Mexico State, against La Familia. Links between Nacho Coronel y Valencia were announced.
- May 18th. 3 decapitated bodies in La Union, Guerrero with a message of a new alliance Beltran Leyva – Gulf Cartel.

PRESENCE OF CRIMINAL GROUPS



Border Trade Alliance



Central and South America

- Block 1**
- Carrillo Fuentes – La Línea
 - Beltrán Leyva
 - Golfo/Z
 - Fernando Sánchez Arellano "The Engineer"

- Block 2**
- Pacífic
 - La Familia
 - Los Valencia
 - Teodoro García Simental "El Teo"

STRATEGIC CORRIDORS



Border Trade Alliance



DRUG SEIZURES



- The struggle between groups of Fernando Sanchez Arellano and Teodoro García Simental for controlling drug routes has increased violence in Baja California.
- The strategic alliance between Fernando Sanchez Arellano and Teodoro García Simental's cells allows them to have greater control over the Northern routes of "The Pacific" crime organization.

- Groups linked to the "Pacific" criminal organization are trying to control the outbound routes for drug trafficking, leading to conflicts with Carillo Fuentes traditionally settled in the state of Chihuahua.

- Hegemony of Golfo/Z criminal organization.
- Tamaulipas accounts for 71% of cocaine seizures from the northern border, and 15% of the national total.



NORTHERN ZONE HEROIN ROUTES
 NORTHERN ZONE COCAINE ROUTES
 NORTHERN ZONE MARIJUANA ROUTES

Current administration December 1st, 2006 to August 2nd, 2009

Drug	National (Kg.)	Northern border (Kg)
Cocaine ●	89,782	18,480 (20%)
Marijuana ●	4'720,152	1'823,402 (39%)
Heroin ●	851	452 (53%)
Methamphetamine ●	2,125	600 (28%)





People Involved in Mexico:

- Estimated 300,000 in Production.
- Estimated 150,000 in Domestic Distribution and Export related activities.

Note: This estimates have not been corroborated.



Economics of Organized Crime

- Estimates between 17 to up to 60 billion dollars in revenues.

Note: In reality this figures are extremley difficult to verify, that's why such a broad range is presented.

The enemy we are facing:



Border Trade Alliance

- The worst thing about the enemy on this war is that it is difficult to identify.
(The bad guys have been identified)
- The enemy is embedded in all society.
(the great majority of Mexicans are not participating)
- The enemy is very strong in convincing people to collaborate, “choose between gold or led”.

(Now criminals do not have easy access as before)



Is the new government going to make policy changes?

Yes, but basically , the same policies will continue.

The new government will continue using the army/navy and federal police to fight **organized crime**, with the following changes:

- **Focus** in avoiding wide spread killings, by fighting the lower **echelons** of organized crime.
- Applying intelligence before actions are taken.
- Swift actions using elite and efficient **strike forces**.



What additional things can be done?:

- Make institutions stronger.
- Have the police force be closer to the citizens.
- Legalize some drugs and further liberalize the economy.
- Have weapon's controls in the United States at international standards.
- Fight organized crime in the United States.
- Fight corruption in the United States.
- Have state and federal intervention following certain parameters.
- Have citizen participation programs in public security matters.



Thank you!
Carlos Angulo Parra
carlosangulo50@gmail.com
Ph. +52-656-629-13-00



Border Trade Alliance

Presents:

Trade & Security:   
The Impact On **Logistics**

August 2, 2012
Four Seasons Hotel
Mexico City