

Mexico's drug cartels: Is Canada next?

They're already 'the greatest organized crime threat to the U.S.'

By Katie Englehart

When councilman Beto O'Rourke looks out the 10th-floor window of the El Paso, Texas, city hall, he sees a fence: "a big, ugly, Berlin-style fence. It's disgusting." The structure separates dusty El Paso from its proximal sister city: Ciudad Juárez, Mexico, which is, by all accounts, under siege. More than 850 people were killed in the northern Chihuahua city this year, nearly all of them in drug cartel-related violence. "Juárez has become the deadliest city in the world," O'Rourke insists. "It's a crazy, f—ked up situation."

In response, the Obama administration announced last week that it will send 1,200 National Guard troops to patrol along the southwest border—this just weeks after Homeland Security Secretary Janet Napolitano agreed to dispatch aerial drones to prowl the Texas skies. Four decades after the U.S. launched its "war on drugs," battle lines are hardening. But the new initiatives may be a case of too little, too late. While most eyes have been focused on the violence in Mexico—some 23,000 people have died since 2006 as drug cartels vie for control in places such as Juárez and Tijuana along the U.S. border, battling each other and the Mexican authorities who are trying to stamp them out—there has already been a more dire development: the push by cartels into the United States itself.

Certainly what has been happening in places like Juárez is distressing. There is more infighting among the omnipotent drug cartels. Killings have become more brazen: more likely to target civilians and Americans. The talk in Juárez earlier this month was about a young bridegroom who was abducted at gunpoint, in broad daylight, as he walked his new bride out of their wedding ceremony to the sound of a church organ. His mutilated body was found later, when a passerby noticed a foul smell coming from an abandoned pick-up truck with Texas licence plates.

But despite the fact that more than 50,000 pedestrians cross between El Paso and Juárez each day—families and city streets are said to flow across country lines—El Paso itself has remained remarkably immune to the bloodshed. "This year, we've only had one murder," El Paso policeman Darrel Petry boasted to *Macleans*. Of course, that's because once the narcos make it across the border, there's no reason to stick around. "Once you get over," shrugs O'Rourke, "you are immediately on the U.S. interstate system."

In the last few years, those highways have been put to good use. The cartels, say police, are on the move. From El Paso, traffickers take the I-20 east to Atlanta, which has become a hub for drug transfers. Or they go west on the I-10 to Phoenix—where cartel-related violence has earned the Arizona city a new title: "Kidnapping Capital of the U.S." Other times, Juárez wholesalers follow the I-55, up from Missouri and on to Chicago, where they bunker down in middle-class suburbs. From there, shipments are split up and parcelled out—increasingly to cells in places like New York, New Jersey, Washington, B.C. and Ontario.

“What we’re seeing is a rise in Mexican drug trafficking organizations [DTOs],” Rusty Payne of the U.S. Drug Enforcement Agency told *Maclean’s*, “in more and more places where you wouldn’t expect it.” In 2009, the Department of Justice declared Mexican cartels to be the “greatest organized crime threat to the United States.” Today, they have a presence in 230 U.S. cities (up from 50 in 2006), from Little Rock, Ark., to Anchorage, Alaska.

Back in El Paso, a popular first stop on the interstate, O’Rourke is waiting for the U.S. troops to arrive. It’s not certain when that will happen, but the day will undoubtedly be celebrated by the border-state governors and senators who have, for years, been demanding a heightened military response to the cartels. But O’Rourke sounds weary. After just five years in office, the 37-year-old already has a tendency to sound fatalistic: “You just can’t build a fence high enough.”

In 2006, the Mexican government declared war on the cartels. Days after winning the presidency, the stern-faced, Harvard-educated Felipe Calderón took a historic first stand—brushing aside Mexico’s corrupt police, and dispatching some 45,000 soldiers to Mexican streets. He also opened his doors to U.S. military commanders, who George W. Bush eagerly allowed to step in and train Mexican forces. Meant to quell the bloodshed, the militarization only fanned it. “Almost to the day, the violence skyrocketed,” says Walter McKay, a former Vancouver drug cop and now director of the Center for Professional Certification of Police Agencies in Mexico City. Today, “it’s spreading like a cancer.”

It wasn’t like this when Colombia was king. In the 1990s, Bogotá’s Cali and Medellín gangs were the main U.S. suppliers. The Mexicans were just the middlemen: paid a fixed amount by Colombian growers—up to \$2,000 per kilo of cocaine—to shuttle drugs into the U.S. But in the late ’90s, Mexican drug families began pushing for more control. Soon, they came to a “payment-in-product” arrangement, which replaced the fixed fee with a chunk of Colombian cocaine that they could traffic independently. What held the arrangement together, explains McKay, was that it was effectively state-sponsored. Government turned a blind eye to the cartels, he says; they, in turn, were able to operate a disciplined territorial system, with low-level drug families controlling traffic in small squares of land, parcelled out by the cartels. There was no need for violence, adds Bruce Bagley, chair of the department of international studies at the University of Miami: territory was respected, and “you could do business as long as you didn’t kill anybody in the street.”

Around that time, president Bill Clinton—channelling Richard Nixon, who was the first to use the term “war on drugs” in 1971—turned his attention to choking off Colombian production, committing \$1.3 billion in 2000. In a way, it worked; soon, the major Colombian cartels were decapitated. But the “war” did not stop coca production in Bogotá—and Colombian cocaine remained available to the Mexican cartels. But that same year, Mexicans went to the polls and, for the first time since the 1910 revolution, elected the opposition. The state-supported drug trade collapsed, and the already power-hungry cartels leapt to fill the void. The situation in Mexico worsened, McKay says: the cartels swelled, then started fighting amongst themselves. Some formed paramilitary wings, made up of thugs armed with U.S. semi-automatics. For the first time, the cartels stopped being “cartels” at all; they were now competitive parties in a free and lucrative market.

Jack Killorin, who coordinates law enforcement for Atlanta's High Intensity Drug Trafficking Area (HIDTA), makes a compelling case for a new crime thriller—"Metro Atlanta Vice," as he playfully calls it. "Miami Vice?" he laughs. "Those days are gone." In the last few years, Atlanta has become a lead trafficking hub for Mexico's valuable wares. Killorin's drama would likely be set in the middle-class suburb of Gwinnett County, which district attorney Danny Porter describes as the unlikely new epicentre of the U.S. drug trade: "Miles and miles of identical subdivisions interspersed with industrial parks." It's about access, Killorin says. The cartels have come to Atlanta for the same reason that UPS is headquartered there: highways branch out from the city "like the spokes of a wheel radiating out to the U.S."

It starts, says Killorin, when "multi-hundred-kilo loads" are moved directly from Mexico to Atlanta—often hidden among legitimate shipments. The loads are "poly-drug": meth, cocaine, heroin and marijuana, packaged together. But U.S.-bound cocaine is often still champion. Once the drugs arrive in Atlanta, the loads are split among mid-level Mexican distributors, who then pass the goods along in smaller and smaller parcels.

But at the street level, the Mexicans make an abrupt exit. "They don't control it on the streets," says Killorin. Instead, "they sell wholesale loads to other criminal organizations who are not necessarily ethnically tied to them." In Atlanta, for example, the cartels deal through the primarily African-American Crips, and a slew of local Caucasian gangs.

This holds true across the country, says the University of Miami's Bagley: "The Mexicans are equal-opportunity employers." In its 2010 "National Drug Threat Assessment," the U.S. National Drug Intelligence Center (a branch of the Justice Department) noted that "mid-level and retail drug distribution" is carried out "by more than 900,000 criminal active gang members representing approximately 20,000 street gangs in more than 2,500 cities." This is all a departure from the days of the Colombian cartels, which controlled sales from the soil to the street.

It's largely the expansive buffet of local gangs that has allowed Chicago to debut as the key supplier of Mexican drugs to the Midwest. "Here in Chicago," says Will Taylor, a DEA special agent, "we have about 75 active gangs, with a membership of around 100,000." Chicago's Mexican cartels "often use Asian gangs and Polish gangs. But [they'll] use all different types." The unique success of the Mexican cartels, says Taylor, has been to build "a relationship, a partnership," with each of them.

The careful networking with outside gangs is one way the Mexican cartels have succeeded in doing what the Colombians could not: lie low. Another is the way that Mexican retailers keep their flash factor to a minimum. "They assimilate into the neighborhoods," Chicago's Taylor says. "Their kids go to school. These people blend in!" The Colombians preferred a more "high-visibility lifestyle: flashy cars and Rolexes and Armani suits," says Killorin. "With that comes a lot of exposure. As a result, they got the crap kicked out of them. The Mexicans went to school on that."

A third thing the cartels do well in the U.S.: keep violence in the family. There's no better example of that than Phoenix. In 2008, Phoenix recorded a whopping 368 kidnappings. But Tommy Thompson, a Phoenix police sergeant, bristles at the "kidnapping capital" label: "People say it's kidnapping. We don't have kids!" His insistence that Phoenix residents don't live in

perpetual fear is valid. “When we have people kidnapped,” he explains, “it’s not John or Jane Q. Citizen. It’s those who are directly involved in criminal activity or their associates.” In fact, the sergeant contends, until ABC reported on the trend in 2008, “most people didn’t realize the kidnappings were going on.” Still, the problem was severe enough to form a special police kidnapping squad. All this, says Elizabeth Kempshall, an Arizona DEA agent, has coincided with a “dramatic increase” in drug flow through her state; 800,000 lb. of drugs were seized there in 2005, she says, but the figure has now more than doubled.

Violence within the cartels might be contained, but the cartels themselves are not. More than anything, it is their affinity for movement—particularly the northbound kind—that has law enforcement on edge. In 2007, the “National Drug Threat Assessment” noted that Mexican DTOs “dominate the illicit drug trade in every area except the Northeast.” Now, the 2010 report highlights how they have expanded to the “New York/New Jersey, and New England Regions”—largely by dealing through Dominican gangs.

Jay Fallon of the New England HIDTA has been watching the “growing influence of Mexican DTOs.” He says “there is nowhere in the country that has a greater heroin abuse problem” than New England; some of the biggest heroin busts he has overseen in the last few years took place in notoriously posh Connecticut. Perhaps the newness of the cartels’ presence in the region explains Fallon’s eagerness to grasp at small blessings: like the fact that his states are generally “end points” on the drug trail, and not distribution hubs. That is, except for the drugs flowing up through New England and into Canada. “I’m quite certain that happens,” Fallon mumbles.

Pat Fogarty, superintendent of the RCMP’s combined forces special enforcement unit, is also certain that Mexican cartels have made their way above the Canada-U.S. border. It started about a decade ago, he says, when Canadian demand for cocaine took off. But the process has become more streamlined: “We have a completely new infrastructure that supports the movement of cocaine, ecstasy, marijuana, you name it.”

Much of that happens along the stretch of border that divides Detroit from Windsor, Ont. It’s “the busiest border crossing for vehicular traffic in North America,” says Sgt. Brett Corey of the Windsor police; 28 per cent of Canada-U.S. trade—more than \$113 billion per year—crosses the Detroit-Windsor tunnel or Ambassador Bridge. So Corey isn’t surprised that “we’re seeing a lot of crack cocaine coming across the border” too. Some of the drugs stay in Windsor, but a lot “makes its way across the 401 corridor to Toronto or to Montreal.” The drug flow itself is hardly new, but the pace in Windsor has picked up, “because you have safety in numbers with the 9,000 trucks that cross every day,” Fogarty says. He adds that dealers traffic Mexican drugs to Toronto via Windsor often in trucks loaded with produce.

Fogarty likely knows better than anyone the extent to which the cartels have spread into Canada. Last year, he was widely quoted as saying that gang violence in B.C. was “directly related to this Mexican war”; as military strikes against the cartels in Mexico dried up North American cocaine supplies, local gangs in Vancouver fought to control what was left. A year later, Fogarty tells *Macleans* that where Canada’s cartel connection was once an indirect one, embodied by “prominent local people [who] have made contact with cartel members,” the cartels have since crossed north. “I’ve dealt with Mexican cartel types up here,” he says. “They do exist.”

And they're not just here as sellers; they're buyers, too. "You have to see this as a north-south trade," Fogarty says. As a representative of the New York state DEA told *Maclean's*: "marijuana comes down and cocaine heads up." Fogarty says Canadian drug dealers and the cartels have worked out an elaborate "credit system" whereby drugs, rather than money, change hands. "The sophistication is getting better and better and better."

What can be done? Some say that the bloodshed in Mexico is a sign that anti-drug efforts are working—with the lashing out of the cartels amounting to something like a deathbed shudder. "The violence down south is horrific. It breaks your heart," says the Arizona DEA's Elizabeth Kempshall. "But if the cartels' backs weren't being broken, they wouldn't be this way."

But demand for narcotics remains strong, and according to the U.S. Department of Justice, "the availability of illicit drugs in the United States is increasing." Given that, Barack Obama's much-touted new drug strategy, unveiled last month, marks a turning point. The initiative—which aims for a 15 per cent reduction in drug consumption among youths and chronic users by 2015—will focus on the user rather than the drug supplier. "The whole program has been restructured," says Vanda Felbab-Brown, author of *Shooting Up: Counterinsurgency and the War on Drugs*. "It's not simply the policy of Bush versus the policy of Obama."

Others aren't so hopeful. "Drugs have been used at the same rate for decades," says Juan Carlos Hidalgo, project coordinator for Latin America at the Washington-based Cato Institute. "I don't think it's going to make much change." And in the meantime, it hardly seems like the cartels are in their death throes. Since 2006, they have indeed taken a beating—but their response has simply been to fragment, with the result that the number of major cartels operating in the U.S. is larger than before. The effect that 1,200 new National Guard troops will have at the border is also unclear. Border officials say that security has been steadily tightened since 9/11. And Bush himself sent 6,000 troops to the same region under Operation Jump Start in June 2006. (That mission ended in 2008.) All that time, the border has remained penetrable to cartel agents.

Now, with the prospect of being squeezed between Calderón's military in Mexico and Obama's troops on the U.S. border, there are signs that the cartels are gearing up for a more furious fight. Tom Crowley, a Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) agent in Dallas, works to seize U.S. guns being trafficked into Mexico. In recent years, he's been troubled by what he's seeing: "an increase in the amount of weapons and the military capability of those weapons." Crowley says it's much more likely now that cartel members dealing in the U.S. are well-armed. "You see more military-type weapons and explosives," agrees Tom Mangan of Phoenix's ATF: "grenades, grenade launchers, machine guns, fully automatics—a whole plethora."

For Mangan, this is all a sign that the cartels are bracing for all-out war. "That's where us in law enforcement on the border, we recognize that it's like a narco insurgency." New boots on the ground won't make a difference—because "the cartels aren't afraid."