

America's Secret Deal with the Mexican Drug Cartels

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In a story which should have made front page headlines, [Narco News](#) investigative journalist Bill Conroy revealed that "A high-ranking Sinaloa narco-trafficking organization member's claim that US officials have struck a deal with the leadership of the Mexican 'cartel' appears to be corroborated in large part by the statements of a Mexican diplomat in email correspondence made public recently by the nonprofit media group WikiLeaks."

A series of some five million emails, [The Global Intelligence Files](#), were obtained by the secret-spilling organization as a result of last year's hack by Anonymous of the Texas-based "global intelligence" firm [Stratfor](#).

Bad tradecraft aside, the Stratfor dump offer readers insight into a shadowy world where information is sold to the highest bidder through a "a global network of informants who are paid via Swiss banks accounts and pre-paid credit cards. Stratfor has a mix of covert and overt informants, which includes government employees, embassy staff and journalists around the world."

One of those informants was a Mexican intelligence officer with the *Centro de Investigación y Seguridad Nacional*, or CISEN, Mexico's equivalent to the CIA. Dubbed "MX1" by Stratfor, he operates under diplomatic cover at the Mexican consulate in Phoenix, Arizona after a similar posting at the consulate in El Paso, Texas.

His cover was blown by the intelligence grifters when they identified him in their [correspondence](#) as Fernando de la Mora, described by Stratfor as "being molded to be the Mexican 'tip of the spear' in the U.S."

In an earlier [Narco News](#) story, Conroy revealed that "US soldiers are operating inside Mexico as part of the drug war and the Mexican government provided critical intelligence to US agents in the now-discredited Fast and Furious gun-running operation," the Mexican diplomat claimed in email correspondence.

Those emails disclosed "details of a secret meeting between US and Mexican officials held in 2010 at Fort Bliss, a US Army installation located near El Paso, Texas. The meeting was part of an effort to create better communications between US undercover operatives in Mexico and the Mexican federal police, the Mexican diplomat reveals."

"However," Conroy wrote, "the diplomat expresses concern that the Fort Bliss meeting was infiltrated by the 'cartels,' whom he contends have 'penetrated both US and Mexican law enforcement'."

Such misgivings are thoroughly justified given the fact, as [Antifascist Calling](#) reported last spring, that the Mexican government had arrested three high-ranking Army generals over their links to narco-trafficking organizations.

In Conroy's latest piece the journalist disclosed that the "Mexican diplomat's assessment of the US and Mexican strategy in the war on drugs, as revealed by the email trail, paints a picture of a 'simulated war' in which the Mexican and US governments are willing to show favor to a dominant narco-trafficking organization in order to minimize the violence and business disruption in the major drug plazas, or markets."

A "simulated war"? Where have we heard *that* before? Like the bogus "War on Terror" which arms and unleashes throat-slitting terrorists from the CIA's favorite all-purpose zombie army of "Islamist extremists," Al Qaeda, similarly, America's fraudulent "War on Drugs" has been a splendid means of *managing* the global drug trade in the interest of securing geopolitical advantage over their rivals.

That major financial powerhouses in Europe and the U.S. (can you say Bank of America, Barclays, Citigroup, Credit Suisse, HSBC, ING and Wachovia) have been accused of reaping the lions' share of profits derived from the grim trade, now a veritable Narco-Industrial Complex, the public continues to be regaled with tales that this ersatz war is being "won."

While the Mexican body count continues to rise (nearly 120,000 dead since 2006 according to the latest estimates published by the *Instituto Nacional de Estadística y Geografía*, or [INEGI](#), as reported by the Paris daily [Le Monde](#) in a recent editorial) the United States is escalating its not-so-covert military involvement in Mexico and putting proverbial boots on the ground as part of the \$1.6 billion U.S.-financed Mérida Initiative.

But have such "initiatives" (in actuality, taxpayer-funded boondoggles for [giant military contractors](#)), turned the corner in the drug war? Not if estimates published the United Nations are accurate.

According to the [2011 World Drug Report](#), published by the United Nations Office on Drugs and Crime (UNODC): "US authorities have estimated for the last couple of years that some 90% of the cocaine consumed in North America comes from Colombia, supplemented by some cocaine from Peru and limited amounts from the Plurinational State of Bolivia. For the year 2009, results of the US Cocaine Signature Program, based on an analysis of approximately 3,000 cocaine HCl samples, revealed that 95.5% originated in Colombia (down from 99% in 2002) and 1.7% in Peru; for the rest (2.8%), the origin could not be determined. The trafficking of cocaine into the United States is nowadays largely controlled by various Mexican drug cartels, while until the mid-1990s, large Colombian cartels dominated these operations."

Despite more than \$8 billion lavished on programs such as Plan Colombia, and despite evidence that leading Colombian politicians, including former President Álvaro Uribe and his entourage had [documented links](#) to major drug trafficking organizations that go back decades, the myth persists that pouring money into the drug war sinkhole will somehow turn the tide.

But drug seizures by U.S. agencies only partially tell the tale.

As UNODC Executive Director Yury Fedotov pointed out in the introduction to the agency's

2011 report, [Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Crimes](#), “all criminal proceeds are likely to have amounted to some 3.6 per cent of GDP (2.3-5.5 per cent) or around US\$2.1 trillion in 2009.”

UNODC analysts disclosed that illicit money flows related to “transnational organized crime, represent the equivalent of some 1.5 percent of global GDP, 70 percent of which would have been available for laundering through the financial system. The largest income for transnational organized crime seems to come from illicit drugs, accounting for a fifth of all crime proceeds.”

“If only flows related to drug trafficking and other transnational organized crime activities were considered,” UNODC asserted, “related proceeds would have been equivalent to around US\$650 billion per year in the first decade of the new millennium, equivalent to 1.5% of global GDP or US\$870 billion in 2009 assuming that the proportions remained unchanged. The funds available for laundering through the financial system would have been equivalent to some 1% of global GDP or US\$580 billion in 2009.”

“The results,” according to UNODC, “also suggest that the ‘interception rate’ for anti-money-laundering efforts at the global level remains low. Globally, it appears that much less than 1% (probably around 0.2%) of the proceeds of crime laundered via the financial system are seized and frozen.”

Commenting on the nexus between global drug mafias and our capitalist overlords, former UNODC director Antonio Maria Costa told [The Observer](#) in 2009, “that the proceeds of organised crime were ‘the only liquid investment capital’ available to some banks on the brink of collapse last year. He said that a majority of the \$352bn (£216bn) of drugs profits was absorbed into the economic system as a result.”

Would there be an incentive then, for U.S. officials to dismantle a global business that benefits their real constituents, the blood-sucking gangsters at the apex of the capitalist financial pyramid? Hardly.

Nor would there be any incentive for American drug warriors to target organizations that inflate the balance sheets of the big banks. Wouldn't they be more likely then, given the enormous flows of illicit cash flooding the system, to negotiate an “arrangement” with the biggest players, particularly the Sinaloa Cartel run by fugitive billionaire Joaquín “El Chapo” Guzmán?

In fact, as [Narco News](#) disclosed last December, a “quid-pro-quo arrangement is precisely what indicted narco-trafficker Jesus Vicente Zambada Niebla, who is slated to stand trial in Chicago this fall, alleges was agreed to by the US government and the leaders of the Sinaloa ‘Cartel’—the dominant narco-trafficking organization in Mexico. The US government, however, denies that any such arrangement exists.”

Narco News reported that according to “Zambada Niebla, he and the rest of the Sinaloa leadership, through the US informant Loya Castro, negotiated an immunity deal with the US government in which they were guaranteed protection from prosecution in exchange for providing US law enforcers and intelligence agencies with information that could be used to compromise rival Mexican cartels and their operations.”

In court pleadings, Zambada Niebla's attorneys argued that “the United States government

considered the arrangements with the Sinaloa Cartel an acceptable price to pay, because the principal objective was the destruction and dismantling of rival cartels by using the assistance of the Sinaloa Cartel-without regard for the fact that tons of illicit drugs continued to be smuggled into Chicago and other parts of the United States and consumption continued virtually unabated.”

Those assertions seem to be borne out by emails released by WikiLeaks. Conroy disclosed: “In a Stratfor [email](#) dated April 19, 2010, MX1 lays out the Mexican government’s negotiating, or ‘signaling,’ strategy with respect to the major narco-trafficking organizations as follows:

The Mexican strategy is not to negotiate directly.

In any event, “negotiations” would take place as follows:

Assuming a non-disputed plaza [a major drug market, such as Ciudad Juarez]:

- [If] they [a big narco-trafficking group] bring [in] some drugs, transport some drugs, [and] they are discrete, they don’t bother anyone, [then] no one gets hurt;
- [And the] government turns the other way.

- [If] they [the narco-traffickers] kill someone or do something violent, [then the] government responds by taking down [the] drug network or making arrests.

(Now, assuming a disputed plaza:)

- [A narco-trafficking] group comes [into a plaza], [then the] government waits to see how dominant cartel responds.
- If [the] dominant cartel fights them [the new narco-trafficking group], [then the] government takes them down.
- If [the] dominant cartel is allied [with the new group], no problem.
- If [a new] group comes in and start[s] committing violence, they get taken down: first by the government letting the dominant cartel do their thing, then [by] punishing both cartels.

“MX1,” *Narco News* revealed, “then goes on to describe what he interprets as the US strategy in negotiating with the major narco-trafficking players in Ciudad Juarez—a major Mexican narco-trafficking ‘plaza’ located across the border from El Paso, Texas:”

... This is how “negotiations” take place with cartels, through signals. There are no meetings, etc. ...

So, the MX [Mexican] strategy is not to negotiate. However, I think the US [recently] sent a signal that could be construed as follows:

“To the VCF [the Vicente Carrillo Fuentes] and Sinaloa cartels: Thank you for providing our market with drugs over the years. We are now concerned about your perpetration of violence, and would like to see you stop that. In this regard, please know that Sinaloa is bigger and better than [the] VCF. Also note that CDJ [Juarez] is very important to us, as is the whole border. In this light, please talk amongst yourselves and lets all get back to business. Again, we recognize that Sinaloa is bigger and better, so either VCF gets in line or we will mess you up.”

I don't know what the US strategy is, but I can tell you that if the message was understood by Sinaloa and VCF as I described above, the Mexican government would not be opposed at all.

In sum, I have a gut feeling that the US agencies tried to send a signal telling the cartels to negotiate themselves. They unilaterally declared a winner [the Sinaloa Cartel], and this is unprecedented, and deserves analysis. If there was no strategy behind this, and it was simply a leaked report, then I will be interested to see how it plays out in the coming months.

Keep in mind that this “analysis” is from a senior CISEN officer describing U.S. “strategy” for *managing*, not putting a stop to the flood of narcotics crossing the border.

“In a separate Stratfor [email](#) dated April 15, 2010,” Conroy wrote, “MX1’s views on the US strategy with respect to the drug organizations in Juarez, essentially favoring the Sinaloa ‘Cartel,’ is referenced yet again:”

We believe that when the US made an announcement that was corroborated by several federal spokespersons simultaneously (that Sinaloa controlled CDJ [Juarez]), it was a message that the DEA wanted to send to Sinaloa. The message was that the US recognized Sinaloa’s dominance in the area [Juarez], although it was not absolute. It was meant to be read by the cartels as a sort of ultimatum: negotiate and put your house in order once and for all.

One dissenting analyst thinks that the message is the opposite, telling Sinaloa to take what it had and to leave what remains of VCF. Regardless, the reports are saying that the US message to the cartels was to negotiate and stop the violence. It says that the US has never before pronounced that a cartel controls a particular plaza, so it is an unusual event.

“Unusual” perhaps, but not surprising given the secret state’s documented history of close collaboration with major drug trafficking networks that serve as unofficial, though highly-effective instruments, for advancing U.S. imperial strategies.

In a recent piece published by [Global Research](#), analyst Peter Dale Scott observed that America’s two “self-generating wars” on “terror” and “drugs” have “in effect become one.”

“By launching a War on Drugs in Colombia and Mexico,” Scott wrote, “America has contributed to a parastate of organized terror in Colombia (the so-called AUC, United Self-Defense Forces of Colombia) and an even bloodier reign of terror in Mexico (with 50,000 killed in the last six years).”

And by “launching a War on Terror in Afghanistan in 2001, America has contributed to a doubling of opium production there, making Afghanistan now the source of 90 percent of the world’s heroin and most of the world’s hashish.”

“Americans should be aware of the overall pattern that drug production repeatedly rises where America intervenes militarily—Southeast Asia in the 1950s and 60s, Colombia and Afghanistan since then,” Scott noted. “(Opium cultivation also increased in Iraq after the 2003 US invasion.) And the opposite is also true: where America ceases to intervene militarily, notably in Southeast Asia since the 1970s, drug production declines.”

“Both of America’s self-generating wars are lucrative to the private interests that lobby for their continuance,” Scott averred. “At the same time, both of these self-generating wars contribute to increasing insecurity and destabilization in America and in the world.”

In this light, *Narco News* revelations make perfect sense. As the global financial crisis deepens, brought on in no small part by the massive frauds perpetrated by leading capitalist institutions, they have inflated their balance sheets with a veritable tsunami of hot cash generated by the Narco-Industrial Complex.

In turn, the American secret state, working to recapitalize financial markets beset by a seemingly insolvable liquidity crisis resulting from massive bank frauds, turn a blind eye as these same institutions become major centers of organized crime, monopoly enterprises which could not survive without the trillions of dollars of illicit funds parked in offshore accounts.

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