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The Honorable Mark E. Green
The Honorable Bennie G. Thompson
The Committee on Homeland Security
Cannon House Office Building
Washington, DC 20515

Dear Chairman Green, Ranking Member Thompson, and distinguished members of the Committee on Homeland Security:

I am honored to have this opportunity to testify at this hearing entitled, "Biden and Mayorkas' Open Border: Advancing Cartel Crime in America."

I am a senior fellow at the Brookings Institution where I direct The Initiative on Nonstate Armed Actors and co-direct the Africa Security Initiative. Illicit economies, such as the drug trade and wildlife trafficking, organized crime, and corruption, and their impacts on U.S. and local security issues around the world are the domain of my work and the subject of several of the books I have written. I have conducted fieldwork on these issues in Latin America, Asia, and Africa. I have been studying crime and security policies in Mexico and their impact on public safety in the United States for over two decades and have recently returned from a month-long research trip in Mexico in June 2023.

This testimony draws extensively on my many publications on crime issues in Mexico, available on my page on Brookings's website,[1] as well as my latest research trip in Mexico.

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[1] Vanda Felbab-Brown, The Brookings Institution, https://www.brookings.edu/people/vanda-felbab-brown/.

Executive Summary

U.S. domestic prevention, treatment, harm reduction, and law enforcement measures are fundamental and indispensable to countering the devastating fentanyl crisis.

However, the structural characteristics of synthetic drugs such as fentanyl, including the ease of developing similar, but not scheduled, synthetic drugs and their new precursors — increasingly a wide array of dual-use chemicals — pose immense structural obstacles to controlling their supply.

Nonetheless, given the extent and lethality of the synthetic opioid epidemic in North America and its emergent spread to other parts of the world, even supply control measures with partial and limited effectiveness can save lives and thus need to be designed as smartly and robustly as possible.

The Trafficking Patterns

Mexican criminal groups — principally the Sinaloa Cartel and Cartel Jalisco Nueva Generación (CJNG) — source fentanyl, fentanyl precursors, and pre-precursors from China. In Mexico, they synthesize the precursors into fentanyl. Sometimes they traffic finished fentanyl to the United States in an unadulterated form; other times, they mix it into other drugs, press it into pills, and traffic such fentanyl contraband to the United States.

Some 90% of fentanyl seizures occur in legal ports of entry.

Mexican cartels predominantly hire U.S. citizens to smuggle drugs across the border; U.S. citizens represent more than 85 percent of those convicted of fentanyl charges. Drugs, such as fentanyl, are frequently hidden in concealed vehicle compartments driven by U.S. citizens with U.S. license plates. Traffickers also extensively hide fentanyl and other drugs within legal cargo entering the United States through legal ports of entry.

Yet despite efforts to increase port-of-entry inspections, the U.S. Customs and Border Protection (CBP) agency is able to inspect only some of the entering vehicles. New ports-of-entry scanning technologies authorized by the Biden administration are expected to significantly increase the percentage of inspected vehicles, a most welcome development.

Yet drug trafficking groups also utilize other smuggling methods, such as tunnels, maritime boats, and drones.

A highly pernicious recent development is the establishment of pharmacies in Mexico, particularly in major international tourist areas, that sell fentanyl-laced drugs, other dangerous substances, and regulated medications, such as antibiotics, without prescription. Most likely linked to major Mexican cartels, these pharmacies significantly increase the dangers of fentanyl trafficking as well as increased threats to global public health, security, and the economy. Yet although these pharmacies operate in violation of Mexican laws and in plain sight, there appears

to be little meaningful action by Mexican law enforcement and regulatory authorities to shut them down.

Money laundering

Chinese actors have come to play an increasing role in laundering money for Mexican cartels, circumventing the U.S. and Mexican formal banking systems. Other money laundering and value transfers between Mexican and Chinese criminal networks include trade-based laundering; value transfer utilizing wildlife products, such as protected and unprotected marine products and timber; real estate; cryptocurrencies; casinos; and bulk cash. Indeed, despite intensified efforts by the United States to counter the flow of bulk cash to Mexico across the U.S.-Mexico border across several administrations, extensive amounts of illicit money and weapons continue to flow from the United States to Mexico.

The increasing payments for drug precursors originating in China in wildlife products are particularly noteworthy. This method of payment engenders multiple threats to public health and safety, economic sustainability, food security, and global biodiversity. If this wildlife trafficking spreads dangerous zoonotic diseases, it could even pose a threat to national security.

The Behavior of Mexican Cartels in Mexico and in the United States

In Mexico, the collapse of the rule of law is profound and goes far beyond the high rates of homicides and disappearances of people perpetrated by criminal groups. While the administration of President Andrés Manuel López Obrador persists in its do-little policy, Mexican criminal groups are resorting more and more to brazen violence while enjoying high levels of impunity in Mexico.

In Mexico, Mexican criminal groups increasingly govern a large scope of territories, economies, and institutions and a significant number of people. They have also profoundly intensified their efforts to influence elections at all levels of the government.

Investigative and prosecutorial capacities in Mexico remain limited. They are overwhelmed by the level of crime in Mexico and suffering from criminal infiltration, corruption, and political interference despite decades-long efforts at reform.

In the United States, because of the high effectiveness of U.S. law enforcement, Mexican criminal groups behave strikingly differently: they are far less violent and do not have the capacity to govern people, institutions, or territories. The overwhelming majority of violent and serious crimes in the United States are committed by U.S. citizens.

Indeed, even in Mexico, Mexican criminal groups intensely fear U.S. law enforcement actions. Yet the Mexican government has gravely undermined the capacity of U.S. law enforcement to operate in Mexico.

Mexican drug cartels are expanding their role into crimes against nature, and they are also increasingly infiltrating and seeking to dominate a variety of legal economies in Mexico,

including fisheries, logging, and agriculture, and extorting an even wider array of legal economies.

Because of the diversification of the economic portfolio of Mexican cartels and Chinese criminal networks, focusing primarily on drug seizures close to their source is no longer an adequate approach for effectively countering drug smuggling networks that send pernicious drugs to the United States or their financial systems.

Countering poaching and wildlife trafficking in Mexico and thwarting illegal fishing in Mexican and Latin American waters are increasingly important aspects of countering Mexican drug-trafficking cartels and their damaging effects in the United States and Mexico. Indeed, this convergence of illicit economies also provides the United States with new opportunities for intelligence gathering and law enforcement actions, even as China-Mexico law enforcement cooperation against the trafficking of fentanyl and precursor agents for meth and synthetic opioids remains minimal.

Mexico's Inadequate Law Enforcement Cooperation with the United States

Just like with China, Mexico's cooperation with U.S. counternarcotics efforts is profoundly hollowed out. The Mexican government of López Obrador has eviscerated counternarcotics and law enforcement cooperation with the United States since 2019 and particularly since 2020 when U.S. law enforcement activities in Mexico became shackled and undermined by Mexican government actions.

The U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities[2] of the fall of 2021 reiterates multiple dimensions of counternarcotics cooperation, including law enforcement, and emphasizes the public health and anti-money laundering elements of the agreement, as the Mexican government sought.

In practice, however, the Mexican government's actions and cooperation on its side of the U.S.-Mexico border remain profoundly inadequate, including and particularly in law enforcement actions to counter the Mexican criminal groups and their production and trafficking of fentanyl. Crucially, even when drug laboratories are actually busted by Mexican authorities, little network dismantling and few meaningful drug prosecutions follow. Traffickers can thus easily survive and recover from limited financial losses by erecting new drug labs.

U.S. counternarcotics and law enforcement bargaining with Mexico is constrained by the U.S. reliance on Mexico to stop migrant flows to the United States. Both the Trump and the Biden administrations strongly prioritized securing Mexico's cooperation in stopping the flows of undocumented migrants to the United States. This prioritization – and the dependence on Mexico's cooperation on that issue - has left the Mexican government feeling emboldened to disregard other U.S. interests and Mexico's commitments, such as on counternarcotics and law enforcement cooperation. If the United States were able to conduct a comprehensive immigration

[2] "Summary of the Action Plan for U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities: A Fact Sheet," U.S. Department of State, January 31, 2022, https://www.state.gov/summary-of-the-action-plan-for-u-s-mexico-bicentennial-framework-for-security-public-health-and-safe-communities/.

reform that would provide legal work opportunities to those currently seeking protection and opportunities in the United States through unauthorized migration, it would have far better leverage to induce meaningful and robust counternarcotics and law enforcement cooperation with Mexico and would be better able to save U.S. lives.

Policy Priorities and Tools

Although supply control measures have partial and limited effectiveness, improving them to supplement U.S. domestic treatment and harm reduction measures is important.

Strengthening border controls at legal ports of entry through which the vast majority of fentanyl enters the United States is one such important measure, as is demanding better cooperation from the Mexican government.

Since Mexican drug cartels have diversified their activities into a wide array of illicit and licit commodities, primarily focusing on drug seizures close to the source is no longer sufficient for effectively disrupting fentanyl smuggling and criminal networks implicated in it.

Rather, it is imperative to counter all of the Mexican criminal groups' economic activities. This includes countering poaching and wildlife trafficking from Mexico and illegal logging and mining in places where the Mexican cartels have reach, acting against illegal fishing off Mexico and around Latin America and elsewhere, and shutting down wildlife trafficking networks into China. These are all increasingly important elements of countering Mexican and Chinese drug-trafficking groups and reducing the flow of fentanyl to the United States.

In its law enforcement engagement with the Mexican government, the United States should prioritize:

- shutting down Mexican pharmacies that sell fentanyl- and methamphetamine-adulterated drugs;
- not merely seizures and busts of laboratories but the actual dismantling of drug trafficking networks, particularly of their middle-operational layers that are hard to recreate and the removal of which significantly hampers the ability of criminal groups to operate and smuggle contraband;
- and far more effective Mexican prosecutorial actions against suppliers.

The United States has various tools to *induce better cooperation from Mexico:*

Designating Mexican cartels as Foreign Terrorist Organizations (FTOs) would enable intelligence gathering and strike options for the United States military, such as against some fentanyl labs in Mexico. But the number of available strike targets in Mexico would be limited, and the strikes would not robustly disrupt the criminal groups. Neither would the FTO designation add authorities to the economic sanctions and anti-money laundering and financial intelligence tools that the already-in-place designation of Transnational Criminal Organization carries.

Moreover, such unilateral U.S. military actions in Mexico would severely jeopardize relations with our vital trading partner and neighbor and the FTO designation could significantly limit and outright hamper other U.S. foreign policy options, measures, and interests.

Instead, the United States should:

- consider further significantly intensifying border inspections;
- adequately resource U.S. law enforcement agencies such as the U.S. Customs and Border Protection (CBP) to adopt the most advanced scanners and increase the number of CBP inspectors at U.S. legal ports;
- develop packages of leverage, including indictment portfolios and visa denials, against Mexican national security and law enforcement officials and politicians who sabotage rule of law cooperation in Mexico, facilitate cartel activities, and undermine law enforcement cooperation with the United States.

Importantly, to effectively counter the fentanyl-smuggling actors, the United States should *expand and smarten up its own measures against criminal actors*, including by:

- truly adopting a whole-of-government approach to countering fentanyl-smuggling entities;
- authorizing a wide range of U.S. government agencies, including the Departments of State and Defense, to support U.S. law enforcement against Mexican and Chinese criminal actors and fentanyl trafficking and crimes against nature;
- collecting relevant intelligence on crimes against nature to understand criminal linkages to foreign governments and criminal groups and elevate such intelligence collection in the U.S. National Intelligence Priorities Framework;
- expanding the number and frequency of participation of U.S. wildlife investigators and special agents in Organized Crime Drug Enforcement Task Forces (OCDETF);
- increasing the number of U.S. Fish and Wildlife Service special agents and investigators, which have flatlined since the 1970s even as the value of wildlife trafficking has significantly increased since then; and
- designating wildlife trafficking as a predicate offense for wiretap authorization.

The Trafficking Patterns

Synthetic opioids are the source of the deadliest and unabating U.S. drug epidemic ever. Since 1999, drug overdoses have killed over 1 million Americans,[3] a lethality rate that has increased significantly since 2012 when synthetic opioids from China began supplying the U.S. demand for illicit opioids. In 2021, the number of fatalities was 106,699[4]; in 2022, it is estimated at

[3] Julie O'Donnell, Lauren J. Tanz, R. Matt Gladden, Nicole L. Davis, and Jessica Bitting, "Trends in and Characteristics of Drug Overdose Deaths Involving Illicitly Manufactured Fentanyls—United States, 2019—2020," Morbidity and Mortality Weekly Report, 70, No. 50, December 17, 2021.
[4] Merianne Rose Spencer, Arialdi M. Miniño, and Margaret Warner, "Drug Overdose Deaths in the United States, 2001—2021," NCHS Data Brief No, 457, Centers for Disease Control and Prevention National Center for Health Statistics, U.S. Department of Health and Human Services, December 2022, https://www.cdc.gov/nchs/data/databriefs/db457.pdf.

107,477.[5] Most of the deaths are due to fentanyl, consumed on its own or mixed into fake prescription pills, heroin, and increasingly methamphetamine and cocaine.

After years of intense U.S. diplomacy, China placed the entire class of synthetic opioids on a regulatory schedule.[6] Yet it remains the principal (if indirect) source of U.S. fentanyl.[7]

The fentanyl scheduling and China's adoption of stricter mail monitoring have created some deterrence effects. Instead of finished fentanyl being shipped directly to the United States, most smuggling now takes place via Mexico.

Mexican criminal groups — principally the Sinaloa Cartel and CJNG — source fentanyl, fentanyl precursors, and pre-precursors from China. In Mexico, they synthesize the precursors into fentanyl. Sometimes they traffic finished fentanyl to the United States in an unadulterated form, other times, they mix it into other drugs, press it into pills, and traffic such fentanyl contraband to the United States. The Mexican cartels are also increasingly exploring the possibility of moving fentanyl production and pill-pressing sites to other parts of the world, such as Colombia and Guatemala.[8]

It appears that the vast majority of fentanyl enters the United States through legal ports of entry. Certainly, in 2022, 90% of fentanyl seizures occurred at a legal port of entry or interior vehicle checkpoints.[9] In 2022, Border Patrol agents who were not at vehicle checkpoints accounted for

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[5] "Dr. Rahul Gupta Releases Statement on CDC's New Overdose Death Data," The White House, Office of National Drug Control Policy, January 11, 2023, https://www.whitehouse.gov/ondcp/briefing-room/2023/01/11/dr-rahul-gupta-releases-statement-on-cdcs-new-overdose-death-data-2/#:~:text=Rahul%2520Gupta%252C%2520Director%2520of%2520the,period%2520ending%2520in%2520August%25202022.

[6] Mark Landler, "U.S. and China Call Truce in Trade War," *The New York Times,* December 1, 2018, https://www.nytimes.com/2018/12/01/world/trump-xi-g20-merkel.html.

[7] Vanda Felbab-Brown, "China's Role in the Smuggling of Synthetic Drugs and Precursors," The Brookings Institution, March 2022, https://www.brookings.edu/events/chinas-role-in-the-smuggling-of-synthetic-drugs-and-precursors/.

[8] Luis Chaparro, "Sinaloa Cartel Exports Fentanyl 'Kitchens' from Mexico to Colombia amid International Crackdown," Fox News, June 13, 2023, https://www.foxnews.com/world/sinaloa-cartel-export-fentanyl-kitchens-mexico-colombia-international-crackdown; Vanda Felbab-Brown, "How the Taliban Suppressed Opium in Afghanistan—and Why There's Little to Celebrate," *Time Magazine*, July 17, 2023, https://time.com/6294753/taliban-opium-suppression-afghanistan/; Vanda Felbab-Brown, "The Foreign Policies of the Sinaloa Cartel and CJNG — Part V: Europe's Supercoke and On-the-Horizon Issues and the Middle East," *Mexico Today*, https://www.brookings.edu/opinions/the-foreign-policies-of-the-sinaloa-cartel-and-cjng-part-v-europes-supercoke-and-on-the-horizon-issues-and-the-middle-east/; Vanda Felbab-Brown, "The Foreign Policies of the Sinaloa Cartel and CJNG — Part IV: Europe's Cocaine and Meth Markets," *Mexico Today*, September 2, 2022, https://www.brookings.edu/opinions/the-foreign-policies-of-the-sinaloa-cartel-and-cjng-part-iv-europes-cocaine-and-meth-markets/; and Vanda Felbab-Brown, "The Foreign Policies of the Sinaloa Cartel and CJNG — Part I: In the Americas," *Mexico Today*, July 22, 2022, https://mexicotoday.com/2022/07/22/opinion-the-foreign-policies-of-the-sinaloa-cartel-cjng-part-i-in-the-americas/.

[9] U.S. Customs and Border Protection (CBP), "Drug Seizure Statistics FY2023" and "Drug Seizure Statistics FY 2022," https://www.cbp.gov/newsroom/stats/drug-seizure-statistics.

just 9% of fentanyl seizures.[10] Since October 2022, i.e., the start of the 2023 fiscal year, 92% of fentanyl seizures occurred at legal ports of entry.[11]

Mexican cartels intensively hire U.S. citizens to smuggle drugs across the border because U.S. citizens generate less suspicion and are often subject to less inspection scrutiny than foreign nationals. Drugs, such as fentanyl, are frequently hidden in concealed vehicle compartments driven by U.S. citizens with U.S. license plates. In 2022, 88% of fentanyl trafficking convictions were of U.S. citizens.[12] In 2021, U.S. citizens accounted for 86.3% of fentanyl convictions.[13] Only 0.02% of people arrested by Border Patrol crossing illegally into the United States possessed any fentanyl.[14]

Traffickers also extensively hide fentanyl and other drugs within legal cargo entering the United States through legal ports of entry.[15]

Yet for years, CBP has been able to inspect only a small percentage of the vehicles that cross the U.S. land borders. In 2019, CBP acknowledged that it was able to inspect only 2% of all private vehicles and only 16% of commercial vehicles at land legal ports of entry.[16]

The Biden administration has appropriately sought to redress this challenge by installing powerful scanners at legal ports of entry. Their augmented efficiency allows for better visibility into individual vehicles and their cargo as well as the scanning of more vehicles.[17] Once the new scanners are deployed, the number of inspected vehicles is expected to rise dramatically to 40% of passenger vehicles and 70% of cargo vehicles.[18]

But even with the installation of advanced technology to better scan more vehicles entering through U.S. legal ports of entry, a significant percentage of vehicles and cargo will still go unchecked.

Yet drug trafficking groups also utilize other smuggling methods, such as tunnels under the U.S.-Mexico border and postal or courier services. Increasingly, the smuggling methods feature drug trafficking by boats on the seas and by drones across the land border with Mexico. The very high potency-per-weight ratio of synthetic opioids and improving payloads of commercial off-the-

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[10] David J. Bier, "Fentanyl Is Smuggled for U.S. Citizens by U.S. Citizens, Not Asylum Seekers," CATO Institute, September 14, 2022, https://www.cato.org/blog/fentanyl-smuggled-us-citizens-us-citizens-not-asylum-seekers.
[11] Adam Isacson, "Weekly U.S.-Mexico Border Update: Fentanyl, CBO One, 'Friendship Park,' Washington Office on Latin America, March 24, 2023, https://www.wola.org/2023/03/weekly-u-s-mexico-border-update-fentanyl-cbp-one-friendship-park/.
[12] U.S. Sentencing Commission, "Quick Facts: Fentanyl Trafficking Offenses," 2022, https://www.ussc.gov/sites/default/files/pdf/research-and-publications/quick-facts/Fentanyl_FY21.pdf.
[14] David J. Bier, "Fentanyl Is Smuggled for U.S. Citizens by U.S. Citizens, Not Asylum Seekers."
[15] Drug Enforcement Administration (DEA), "2020 National Drug Threat Assessment," March 2021, dea.gov/sites/default/files/2021-02/DIR-008-21 2020 National Drug Threat Assessment_WEB.pdf.
[16] Leandra Bernstein, "Vehicle Scanning Technology at the Border Is about to Ruin the Drug Trade," NBC Montana, August 29, 2019, https://nbcmontana.com/news/nation-world/vehicle-scanning-technology-at-the-border-is-about-to-ruin-the-drug-trade.
[17] Nick Miroff, "U.S. Deploys Powerful Scanners at Border to Fight Fentanyl Smuggling," *The Washington Post*, March 9, 2023, https://www.washingtonpost.com/nation/2023/03/09/united-states-arizona-border-fentanyl/.
[18] Ibid.

shelf drones make the smuggling of fentanyl through this method increasingly feasible and profitable.

A highly pernicious recent development is the establishment of pharmacies in Mexico, particularly in major international tourist areas, that sell fentanyl-laced drugs and other dangerous substances. Proliferating in places such as the Mayan Riviera and Los Cabos over the past three years, these pharmacies are physical buildings that appear like other Mexican pharmacies. Yet they openly advertise drugs such as antibiotics, anabolic steroids, and prescription opiates and sell them illegally without a prescription. Investigative work by *The Los Angeles Times* and separately by *Vice* discovered that drugs sold as Percocet, for example, also contained fentanyl and methamphetamine.[19] During my June 2023 fieldwork in Mexico, shop assistants in these pharmacies claimed they could mail any of these drugs to the United States without a prescription.

Amidst an already terrible drug epidemic, these pharmacies greatly magnify the threats to public health. U.S. citizens have long been used to buying medications that are too expensive in the United States from Mexico. Unwittingly, intending to buy other medication, they may end up buying drugs causing lethal overdose or addiction. The legitimate veneer of these pharmacies also exposes a much wider set of potential customers to fentanyl and other dangerous drugs, ranging from teenagers to the elderly. Because the pharmacies aggressively target international tourists in major vacation resort areas, they also export the fentanyl epidemic to other regions of the world, such as Western Europe. Many of these pharmacies are likely linked to the Sinaloa Cartel and CJNG. Further funding the Mexican cartels and other drug trafficking networks, a geographic spread of fentanyl use would augment the global public health disaster.

The adulteration of fake medications with fentanyl and methamphetamine is not the sole problem. The unauthorized sale of antibiotics without prescription at these pharmacies also poses other massive global public health, economic, and security harms, such as the intensified emergence of drug-resistant bacteria.

Shutting down these unscrupulous pharmacies to minimize the criminals' market access and to reduce exposure to customers is imperative. Simply seizing illicit pills while letting the pharmacies operate is inadequate. Shutdown and strong prosecutorial actions are necessary against suppliers. Yet while these pharmacies operate in violation of Mexican laws, in plain sight, and visibly saturate major tourist areas, there appears to be little law enforcement action by Mexican officials and regulatory authorities, such as from Mexico's Federal Commission for Protection Against Sanitary Risks (COFEPRIS).[20]

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[19] Connor Sheets and Keri Blakinger, "Fentanyl-tainted Pills Now Found in Mexican Pharmacies from Coast to Coast," *The Los Angeles Times*, June 14, 2023, https://www.latimes.com/world-nation/story/2023-06-14/fentanyl-tainted-pills-now-found-in-mexican-pharmacies-from-coast-to-coast; and Deborah Bonello, "Cartels Are Using Pharmacies To Sell Fake Pills Laced With Fentanyl and Meth to Unwitting Tourists," Vice, June 14, 2023, https://www.vice.com/en/article/m7bbxv/mexico-pharmacies-fake-pills-cjng-sinaloa-cartel.

[20] In June 2023, COFEPRIS finally raided three such pharmacies in Los Cabos, arresting four and seizin some 25,000 pills. See Brittny Mejia, "Mexico Raids Pharmacies in Probe of Fentanyl-Laced Pills," *Los Angeles Times*, https://www.latimes.com/world-nation/story/2023-07-07/mexican-authorities-raid-pharmacies-in-inquiry-into-fentanyl-tainted-pills.

Money laundering

The National Drug Intelligence Center of the U.S. Department of Justice estimated in 2008 that Mexican and Colombian drug trafficking groups earned between $18 billion and $39 billion a year from wholesale drug sales.[21] In 2010, the U.S. Department of Homeland Security (DHS) estimated bulk cash smuggling to Mexico at between $19 billion and $29 billion annually.[22] Other estimates from the United Nations Office on Drugs and Crime, research organizations, and news media have assessed Mexico's drug export revenues to have been in the range of $6 billion to $21 billion a year between 2010 and 2018.[23]

Mexican cartels utilize many money-laundering methods, among which are illicit money laundering systems such as the black-peso market, trade-based money laundering, real estate, cryptocurrencies, casinos, and bulk cash.[24] Indeed, despite intensified efforts by the United States to counter the flows of bulk cash to Mexico across the U.S.-Mexico border across several administrations, extensive amounts of illicit money and weapons continue to flow from the United States to Mexico.

The cartels are also increasingly using a novel approach: Chinese informal money exchange systems based out of the United States and Mexico.

Although it is not clear what percentage of the cartels' illicit profits is laundered through Chinese money transfer networks, U.S. officials fear that the effectiveness of the Chinese networks' money laundering is such that it is even displacing established Mexican and Colombian money launderers and putting the flows of cartel money even more out of reach of U.S. law enforcement.[25] In some cases, a particular Chinese money laundering network managed to get itself hired by both the Sinaloa Cartel and the CJNG; in other cases, they worked exclusively with just one of them.[26]

The increasing payments for drug precursors in wildlife products coveted in China — for Traditional Chinese Medicine, aphrodisiacs, other forms of consumption, or as a tool of speculation, such as in the case of the highly prized swim bladder of the endemic and protected

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[21] "Illicit Finance," in *National Drug Threat Assessment 2009* (Washington, DC: National Drug Intelligence Center, U.S. Department of Justice, December 2008).

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[23] See "Estimating Illicit Financial Flows Resulting from Drug Trafficking and Other Transnational Organized Crimes: Research Report," (Vienna: United Nations Office on Drugs and Crime, October 2011); Beau Kilmer, Jonathan P. Caulkins, Brittany M. Bond, and Peter Reuter, "Reducing Drug Trafficking Revenues and Violence in Mexico: Would Legalizing Marijuana in California Help?" (Santa Monica, Calif.: RAND Corporation, 2010); Gabriel Stargardter, "Mexico's Drug Cartels, Now Hooked on Fuel, Cripple the Country's Refineries," Reuters, January 24, 2018, https://www.reuters.com/investigates/special-report/mexico-violence-oil/.

[24] Vanda Felbab-Brown's interviews with current and former U.S. and Mexican officials and law enforcement officers, Mexico City, and by virtual platforms, October and November 2021.

[25] Drazen Jorgic, "Special Report: Burner Phones and Mobile Banking Apps: Meet the Chinese Brokers Laundering Mexican drug money," Reuters, December 3, 2020, https://www.reuters.com/article/us-mexico-china-cartels-specialreport/special-report-burner-phones-and-banking-apps-meet-the-chinese-brokers-laundering-mexican-drug-money-idUSKBN28D1M4.

[26] Vanda Felbab-Brown's interviews with U.S. government and law enforcement officials, Mexico City, and by virtual platforms, October and November 2021.

Mexican totoaba fish poached for Chinese markets — are particularly worrisome.[27] Other wildlife commodities used for money laundering, tax evasion, and as barter payments between Mexican cartels and Chinese precursor networks include abalone, jellyfish, and lobster.[28] Instead of paying in cash, Chinese traffickers are paid in commodities. The amount of value generated by wildlife commodity payments, likely in the tens of millions of dollars, may not cover all of the precursor payment totals, but could cover a substantial percentage since the total payments for precursors likely amount to tens of millions of dollars also.[29] Wildlife barter may not displace other methods of money laundering and value transfer. But the increasing role of this method can devastate natural ecosystems and biodiversity in Mexico as the cartels steadily seek to legally and illegally harvest more and more of a wider range of animal and plant species to pay for drug precursors. In Mexico, *poaching and wildlife trafficking for Chinese markets are increasingly intermeshed with drug trafficking, money laundering, and value transfer in illicit economies.*

The Behavior of Mexican Cartels in Mexico and in the United States

The connections between the illegal drug trade and the timber and wildlife trade and trafficking from Mexico to China are all the more significant as poaching and wildlife trafficking in Mexico is increasing and *Mexican drug cartels are expanding their role in crimes against nature*.

They are also increasingly taking over legal economies in Mexico, including logging, fisheries, and various agricultural products such as avocados, citrus, grain corn, mining, and water distribution in parts of Mexico. Such takeover of legal economies by the cartels does not merely entail extortion — enormously widespread as many businesses in Mexico do not have the capacity to shield themselves from extortion by Mexican criminal groups. These organized crime groups across Mexico, especially the Sinaloa Cartel, often seek to monopolize the entire vertical supply chain. Fisheries provide a prime example. Beyond merely demanding a part of the profits from fishers as extortion, the criminal groups dictate to legal and illegal fishers how much the fishers can fish, insisting that the fishers sell the harvest only to the criminal groups, and that restaurants, including those catering to international tourists, buy fish only from the criminal groups. Mexican organized crime groups set the prices at which fishers can be compensated and restaurants paid for the cartels' marine products. The criminal groups also force processing plants to process the fish they bring in and issue it with fake certificates of legal provenance for export into the United States and China. And they charge extortion fees to seafood exporters. They also force fishers to smuggle drugs.

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[27] Vanda Felbab-Brown, "China's Role in Poaching and Wildlife Trafficking in Mexico" (The Brookings Institution, March 2022, https://www.brookings.edu/events/chinas-role-in-poaching-and-wildlife-trafficking-in-mexico/). For background, see also Vanda Felbab-Brown and Alejandro Castillo, "Restore US-Mexico seafood trade & save the vaquita," Mexico Today, May 7, 2021, https://mexicotoday.com/2021/05/07/opinion-restore-us-mexico-seafood-trade-save-the-vaquita/; Enrique Sanjurjo-Rivera, et. al., "An Economic Perspective on Policies to Save the Vaquita: Conservation Actions, Wildlife Trafficking, and the Structure of Incentives," *Frontiers in Marine Science* (August 27, 2021), https://doi.org/10.3389/fmars.2021.644022.

[28] Vanda Felbab-Brown's interviews with current and former U.S. and Mexican officials and law enforcement officers and Mexican fishery experts and high-level fishery operators, Mexico City, and by virtual platforms, October and November 2021.

[29] Vanda Felbab-Brown's interviews with U.S. law enforcement officials, Mexico City, and by virtual platforms, October 2021.

Mexican criminal groups are also expanding into illegal fishing outside of Mexico.[30] There have long been suspicions about the *extent to which Latin American fishing fleets are also engaged in the smuggling of drugs* such as cocaine to the United States.[31] The penetration of legal fisheries by Mexican cartels further facilitates their drug smuggling enterprise.

Similarly, massive Chinese fishing fleets have long engaged in illegal fishing, sometimes devastating marine resources in other countries' exclusive economic zones. However, there also *appears to be a growing involvement of Chinese fishing ships in drug trafficking,* compounding the extensive problem of Chinese cargo vessels carrying contraband such as drugs and their precursors as well as wildlife.[32] And there is the possibility that Chinese fishing flotillas or individual vessels operating around the Americas and elsewhere in the world may carry spy equipment collection intelligence for China.

Within Mexico, Mexican criminal groups often control extensive territories where the government has only limited control and sporadic access and some of which have become outright no-go-zones for government officials.

They have also profoundly intensified their efforts to influence elections at all levels of the government.

Indeed, the collapse of the rule of law in Mexico is profound and goes far beyond the very high homicide rates; since 2017 more than 30,000 Mexicans have been killed per year[33] while more than 112,000 remain disappeared.[34]

In Mexico, Mexican criminal groups increasingly govern a large scope of territories, economies, and institutions and a significant number of people.

Because of the high effectiveness of U.S. law enforcement, in the United States, Mexican criminal groups behave far less violently and do not have the capacity to govern people, institutions, or territories.

The overwhelming majority of violent and serious crimes in the United States are committed by U.S. citizens. For example, according to the Centers for Disease Control and Prevention, 26,031

[30] Vanda Felbab-Brown's interview with a top executive of a large Mexican seafood exporter, Mexico, November 2021.
[31] Vanda Felbab-Brown's interviews with Latin American law enforcement officials, December 2017, November 2021, and February 2022.
[32] Vanda Felbab-Brown's interviews with U.S. Government and law enforcement officials, October 2021.
[33] Instituto Nacional de Estadística y Geografía (INEGI), Defunciones por Homicidios, Gobierno de México, https://www.inegi.org.mx/sistemas/olap/proyectos/bd/continuas/mortalidad/defuncioneshom.asp?s=est#; and Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública (SESNSP), Datos Abiertos de Incidencia Delictiva, Gobierno de México, https://www.gob.mx/sesnsp/acciones-y-programas/datos-abiertos-de-incidencia-delictiva?state=published.
[34] Comisión Nacional de Búsqueda, Estadísticas del El Registro Nacional de Personas Desaparecidas y No Localizadas (RNPDNO), Gobierno de México, https://versionpublicarnpdno.segob.gob.mx/Dashboard/ContextoGeneral.

crimes were committed in the United States in 2021 and 24,576 in 2020.[35] Yet in the fiscal years 2022, 2021, and 2020, which span the calendar years, non-citizens in the United States committed only 62 homicides, 60 homicides, and 3 homicides respectively, according to CBP.[36]

Indeed, *even in Mexico, Mexican criminal groups intensely fear U.S. law enforcement actions*. Yet the Mexican government has gravely undermined the capacity of U.S. law enforcement to operate in Mexico. At the beginning of his administration, López Obrador announced a strategy of "hugs, not bullets" toward criminal groups that sought to emphasize socio-economic programs to deal with crime and address the causes that propel young people to join criminal groups. But that strategy never articulated any security or law enforcement policy toward criminal groups. Worse, as the López Obrador administration persists in its do-little policy, Mexican criminal groups are resorting more and more to brazen violence and impunity in Mexico.

Like other Mexican presidents since the 1980s, López Obrador reshuffled Mexican security institutions. Most significantly, he abolished the Federal Police — because of its infiltration by Mexican criminal groups, a systematic and pervasive problem for all of Mexico's law enforcement forces for decades. (Since the 1980s, the many iterations of law enforcement reforms have failed to expunge such infiltration and corruption across Mexican agencies.)

In its place, López Obrador created a National Guard staffed mostly by Mexican soldiers and police officers from the former Federal Police. However, the National Guard is not and could never be an adequate replacement for the Federal Police. The Federal Police, with all its faults, had the greatest investigative capacities and mandates, while the National Guard has no investigative mandates and very little capacity; it can only act as a deterrent force by patrolling the streets, something that it has not been effective at, or acting against crime in *flagrancia.* As a Mexican lawyer told me in 2021: "The National Guard are the most expensive mannequins in Mexico."

Investigative authorities in Mexico are predominantly under the Office of the Attorney General (*Fiscalía General de la República*, FGR), the Federal Ministerial Police, and state prosecutorial offices. But as with other law enforcement institutions in Mexico, the FGR's capacities are limited, overwhelmed by the level of crime in Mexico, and suffer from criminal infiltration, corruption, and political interference despite decades-long efforts at reform.

The effective prosecution rate for homicides in Mexico continues to hover at an abysmally low 2% and remains in single digits for other serious crimes.[37]

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[35] Centers for Disease Control and Prevention, National Center for Health Statistics, "National Vital Statistics System, Mortality 2018-2021," https://wonder.cdc.gov/controller/datarequest/D158;jsessionid=A6B25FA1C3F284E8DEF7DC5C5846#Citation.

[36] "Criminal Noncitizen Statistics Fiscal Year 2023," U.S. Customs and Border Protection, https://www.cbp.gov/newsroom/stats/cbp-enforcement-statistics/criminal-noncitizen-statistics.

[37] Catalina Kühne Peimbert, et al, "Impunidad en homicidio doloso y feminicidio 2022," *Impunidad Cero*, December 2022, https://www.impunidadcero.org/uploads/app/articulo/175/contenido/1669895146I15.pdf; and Vanda Felbab-Brown's interviews with Mexican security and legal experts, Mexico City, June 2023.

Essentially, the Mexican president has hoped that if he does not interfere with Mexico's criminal groups, they will eventually redivide Mexico's economies and territories among themselves, and violence will subside. That *policy has been disastrous* for many reasons: Most important, because it further undermines the already-weak rule of law in Mexico, increases impunity, and subjects Mexican people, institutions, and legal economies to the tyranny of Mexican criminal groups. But also because Mexico's out-of-control criminal market, plagued by a bipolar and increasingly internationalized war between the Sinaloa Cartel and CJNG, has little chance to effectuate such stabilization.

Mexico's Inadequate Cooperation with U.S. Counternarcotics Efforts

Just like with China, Mexico's cooperation with U.S. counternarcotics efforts is radically eviscerated. The profound hollowing out of Mexico's cooperation with U.S. counternarcotics efforts is part and parcel of the overall lack of a security policy of the López Obrador administration. But it also goes beyond that.

In the spring of 2023, López Obrador began falsely denying that fentanyl is produced in Mexico, deceptive statements echoed at his behest by other high-level Mexican officials and agencies.[38] Blaming fentanyl *use* in the United States on U.S. moral and social decay, including American families not hugging their children enough (the statement an apparent nod to his strategy of confronting Mexican criminals with "hugs and not bullets"), the Mexican president also proceeded to deny that fentanyl is increasingly consumed in Mexico.[39] With his statements, López Obrador is not just unwittingly (or knowingly) echoing China's rhetoric, but also publicly dismissing two decades of a policy of shared responsibility for drug production, trafficking, and consumption between United States and Mexico.

But that spring crisis was merely the visible tip of the iceberg of how Mexico has eviscerated counternarcotics and law enforcement cooperation with the United States during the López Obrador administration. When López Obrador assumed office in December 2018, he started systematically weakening that collaboration. From the beginning of his administration, he has sought to withdraw from the Merida Initiative, the U.S.-Mexico security collaboration framework signed during the Felipe Calderón administration. And he sought to redefine the collaboration extremely narrowly: U.S. assistance to Mexico was intended to reduce demand for drugs in Mexico, while the United States focused on stopping the flow of drug proceeds and

[38] Ken Dilanian, "Drug war cooperation between the U.S. and Mexico is at its lowest point in decades. What went wrong?" NBC News, March 17, 2023, https://www.nbcnews.com/politics/national-security/no-cooperation-us-mexico-drug-war-rcna75093; Vanda Felbab-Brown, ""The U.S.-Mexico Fentanyl Meltdown — Part I: The State of Noncooperation," *Mexico Today*, March 19, 2023, https://mexicotoday.com/2023/03/19/opinion-the-u-s-mexico-fentanyl-meltdown-part-i-the-state-of-noncooperation/.

[39] Mark Stevenson, "Mexican president to US: Fentanyl is your problem," Associated Press, March 9, 2023, https://apnews.com/article/mexico-fentanyl-epidemic-overdoses-26f735a54ee0ba075c394ce85aef03d0; "Mexican president blames US fentanyl crisis on 'lack of hugs' among families," Associated Press, March 17, 2023, https://www.theguardian.com/world/2023/mar/17/mexico-president-fentanyl-hugs-children-amlo#:~:text=%25E2%2580%259CThere%2520is%2520a%2520lot%2520of,said%2520of%2520the%2520US%2520crisis; Vanda Felbab-Brown, "AMLO's Security Policy: Creative Ideas, Tough Reality," The Brookings Institution, March 2019, https://www.brookings.edu/wpcontent/uploads/2019/03/FP_20190325_mexico_anti-crime.pdf.

weapons to Mexico and reducing demand at home. Previous Mexican governments also certainly sought a significant increase in U.S. law enforcement focus on those two types of illicit flows but were willing to collaborate also inside Mexico.

After the United States arrested former Mexican Secretary of Defense Gen. Salvador Cienfuegos in October 2020 for cooperation with a vicious Mexican drug cartel, López Obrador threatened to end all cooperation and expel all U.S. law enforcement personnel from Mexico.[40] To avoid that outcome, the Trump administration handed Gen. Cienfuegos over to Mexico where he was rapidly acquitted.

But despite this significant U.S. concession, Mexico's counternarcotics cooperation remained limited. Meanwhile, U.S. law enforcement activities in Mexico became shackled and undermined by a December 2021 Mexican national security law on foreign agents.[41] As Matthew Donahue, a former high-level Drug Enforcement Administration (DEA) official, stated, since then and because of the continually immense level of corruption and cartel infiltration in Mexican security agencies, Mexican law enforcement spends more time surveilling DEA agents than it does cartel members.[42]

With the threat of Mexico's unilateral withdrawal from the Merida Initiative, the United States government worked hard to negotiate a new security framework with Mexico — The U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities[43] — in the fall of 2021. The United States emphasized the public health and anti-money laundering elements of the agreement, as the Mexican government sought. The Framework reiterates multiple dimensions of counternarcotics cooperation, including law enforcement.

In practice, however, the Mexican government's actions and cooperations on its side of the U.S.-Mexico border remain profoundly inadequate, including and particularly in law enforcement actions to counter the Mexican criminal groups and their production and trafficking of fentanyl.

The U.S.-Mexico law enforcement cooperation has thus been only limping. The Mexican government has conducted some interdiction operations based on U.S. intelligence, and some collaboration has persisted at the sub-federal level in Mexico. While the DEA's operations in Mexico remain hampered and limited, other U.S. law enforcement actors in Mexico have been able to induce some cooperation, with some Mexican government agencies even sharing some intelligence with the United States.

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[40] Vanda Felbab-Brown, "A Dangerous Backtrack on the US-Mexico Security Relationship," *Mexico Today*, December 21, 2020, https://www.brookings.edu/blog/order-from-chaos/2020/12/21/a-dangerous-backtrack-on-the-us-mexico-security-relationship/.

[41] "Mexico softens rules for controversial new foreign agents law," Reuters, January 14, 2021, https://www.reuters.com/article/us-mexico-usa-security/mexico-softens-rules-for-controversial-new-foreign-agents-law-idUSKBN29J24M.

[42] Dilanian.

[43] "Summary of the Action Plan for U.S.-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities: A Fact Sheet," U.S. Department of State, January 31, 2022, https://www.state.gov/summary-of-the-action-plan-for-u-s-mexico-bicentennial-framework-for-security-public-health-and-safe-communities/.

Crucially, as DEA Administrator Anne Milgram stated in her February Senate testimony, the Mexican government continues to be unwilling to share samples and information from its claimed lab busts and fentanyl and fentanyl precursor seizures.[44] It is still not allowing the participation of DEA agents, even in only an observer role, in the interdiction operations it claims it has conducted. All of which raises questions about the drug busts. Extraditions of indicted drug traffickers to the United States from Mexico also remain limited.

There have been some recent improvements. Finally, at least some senior Mexican law enforcement officials began acknowledging again that fentanyl is produced in Mexico, an admission necessary for improving U.S.-Mexico collaboration.[45] In fact, the Mexican military now claims that it seized seven tons of fentanyl over the past five years and busted 1,740 drug laboratories.[46] However, as Reuters' investigative work showed, even in recent months, the Mexican military was fabricating and manipulating drug seizure and bust data.[47]

Crucially, even when labs are busted, little network dismantling and few meaningful drug prosecutions follow in Mexico. Traffickers can thus easily survive and recover from limited financial losses by erecting new drug labs.

Overall, Mexico's law enforcement cooperation with the United States has dramatically weakened and is still troublingly inadequate.

Conclusions, Policy Implications, and Recommendations

As vast numbers of Americans are dying from fentanyl overdose and Chinese and Mexican criminal groups expand their operations around the world and into a vast array of illegal and legal economies, the United States finds itself in hollowed out and weak cooperation with both countries. Below I offer some policy implications and recommendations on how the United States can attempt to induce Mexico to better cooperate with U.S. counternarcotics and law enforcement objectives. I also provide suggestions for what law enforcement and policy measures the United States can undertake independently, even if Mexico continues to reject robust cooperation.

The structural characteristics of synthetic drugs, including the ease of developing similar, but not scheduled synthetic drugs and their new precursors — increasingly a wide array of dual-use chemicals — *pose immense structural obstacles to controlling supply*, irrespective of political will to prohibit and regulate their use, enforce the regulations, and take actions against trafficking.

[44] Questions and answers period, U.S. Senate Foreign Relations Committee hearing "Countering Illicit Fentanyl Trafficking," February 15, 2023, https://www.foreign.senate.gov/hearings/countering-illicit-fentanyl-trafficking.
[45] Luis Chaparro, "Mexico's President Says His Country Doesn't Produce Fentanyl. His Military Seized 7 Tons in 5 Years," Vice, June 28, 2023, https://www.vice.com/en/article/93k3kp/mexico-president-fentanyl.
[46] Ibid.
[47] Drazen Jorgic, Jackie Botts, and Stephen Eisenhammer, "Exclusive: Amid U.S. pressure on Fentanyl, Mexico Raises Drug Lab Raids Data," Reuters, March 17, 2023, https://www.reuters.com/world/americas/amid-us-pressure-fentanyl-mexico-raises-drug-lab-raids-data-2023-03-17/.

U.S. domestic prevention, treatment, harm reduction, and law enforcement measures remain indispensable and fundamental for countering the devastating fentanyl crisis. It is likely that the most powerful measures to address the opioid crisis are internal policies such as expanded treatment and supervised use.

However, given the extent and lethality of the synthetic opioid epidemic in North America and its emerging spread to other parts of the world, *even supply control measures with partial and limited effectiveness can save lives.* That is a worthwhile objective. The Commission on Combatting Illicit Opioid Trafficking stressed that targeted supply reduction and the enforcement of current laws and regulations are essential to disrupting the availability of chemicals needed to manufacture synthetic opioids.[48] The commission also highlighted how improved oversight of large chemical and pharmaceutical sectors and enhanced investigations of vendors or importers in key foreign countries can help disrupt the flow.[49] The commission offered supply-side control recommendations include reducing online advertising, encouraging enhanced anti-money laundering efforts in China and Mexico, enhanced interdiction efforts, and increased international scheduling of at least synthetic drug precursors that are only used for illicit purposes and enhanced control of precursor flows through collaboration with China and international counternarcotics organizations.[50]

In its law enforcement engagement with the Mexican government, the United States should prioritize:

- shutting down Mexican pharmacies that sell fentanyl- and methamphetamine-adulterated drugs;
- not merely seizures and busts of laboratories, but the actual dismantling of drug trafficking networks, particularly of their middle-operational layers that are hard to recreate and the removal of which significantly hampers the ability of criminal groups to operate and smuggle contraband;
- and far more effective Mexican prosecutorial actions against suppliers.

My recommendations below analyze and recommend tools to induce Mexico to cooperate more robustly with U.S. law enforcement measures.

U.S. counternarcotics and law enforcement *bargaining with Mexico is constrained by the U.S. reliance on Mexico to stop migrant flows to the United States*. If the United States were able to conduct a comprehensive immigration reform that would provide legal work opportunities to those currently seeking protection and opportunities in the United States through unauthorized migration, it would have far better leverage to induce meaningful and robust counternarcotics and law enforcement cooperation with Mexico and would be better able to save U.S. lives. Nonetheless, even absent such reform, the United States can take impactful measures that I discuss below.

Inducing Cooperation from Mexico

[48] Commission on Combatting Synthetic Opioid Trafficking, *The Final Report*, February 2022, https://www.rand.org/hsrd/hsoac/commission-combatting-synthetic-opioid-trafficking: xiv.
[49] Ibid.
[50] Ibid: 36-44; and 54-57; 61-64.

Various U.S. lawmakers have proposed designating Mexican criminal groups as Foreign Terrorist Organizations (FTO).

An FTO designation would enable intelligence gathering and strike options for the United States military, such as against some fentanyl laboratories in Mexico or visible formations of large Mexican cartels — principally CJNG.

However, such unilateral U.S. military actions in Mexico would severely jeopardize relations with our vital trading partner and neighbor whose society is deeply intertwined with ours through familial and other connections. Calls for U.S. military strikes against fentanyl-linked targets in Mexico have already been condemned by Mexican government officials, politicians, and commentators.

Meanwhile, the number of available targets in Mexico would be limited. Most Mexican criminal groups do not gather in military-like visible formations. Many fentanyl laboratories already operate in buildings in populated neighborhoods of towns and cities where strikes would not be possible due to risks to Mexican civilians. Moreover, fentanyl laboratories would easily be recreated, as they already are.

Nor would the FTO designation add authorities to the economic sanctions and anti-money laundering and financial intelligence tools that the already-in-place designation of Transnational Criminal Organization (TCO) carries. The latter designation also carries extensive prohibitions against material support.

But *an FTO designation could significantly limit and outright hamper U.S. foreign policy options and measures*. Clauses against material support for designated terrorist organizations have made it difficult for the United States to implement non-military and non-law-enforcement policy measures in a wide range of countries, such as providing assistance for legal job creation or reintegration support for even populations that had to endure the rule of brutal terrorist groups. To be in compliance with the material support laws, the United States and other entities must guarantee that none of their financial or material assistance is leaking out, including through coerced extortion, to those designated as FTOs.

Yet such controls would be a significant challenge in Mexico where many people and businesses in legal economies, such as agriculture, fisheries, logging, mining, and retail, have to pay extortion fees to Mexican criminal groups. The attempted controls could undermine the ability to trade with Mexico as many U.S. businesses would not be able to determine whether their Mexican trading or production partner was paying extortion fees to Mexican cartels, and thus guarantee that they were not indirectly in violation of material support clauses.

The FTO designation could also hamper the delivery of U.S. training, such as to local police forces or Mexican federal law enforcement agencies, if guarantees could not be established that such counterparts had no infiltration by criminal actors.

Instead, if the López Obrador administration continues to deny meaningful law enforcement cooperation, *the United States may have to resort to significantly intensified border inspections,* even if they significantly slow down the legal trade and cause substantial damage to Mexican goods, such as agricultural products. Even with the significant improvement in vehicle and cargo inspection expected to be reaped from the scanning technologies the Biden administration authorized for deployment at the U.S. ports of entry, a significant percentage of vehicles and much cargo will still go unchecked.

Under optimal circumstances, U.S.-Mexico law enforcement cooperation would be robust enough to make legal border crossings fast and efficient. Joint fentanyl and precursor busts and seizures could take place near the production laboratories and at warehouses. The inspections of legal cargo heading to the United States could take place close to the production and loading site in Mexico. Under the Merida Initiative, the Obama administration, in fact, sought to develop with Mexico such systems of legal cargo inspection inside Mexico and away from the border. But if Mexico refuses to act as a reliable law enforcement partner to counter the greatest drug epidemic in North America, which is also decimating lives in Mexico, the United States may have to focus much-intensified inspections at the border, despite the economic pains.

But if the López Obrador administration refuses to cooperate, manual inspections, even though costly to Mexican — and U.S. — businesses, should be mounted.

Effective border interdiction, however, requires meaningfully resourcing U.S. law enforcement agencies at U.S. legal ports of entry through which the vast majority of fentanyl enters the United States. That means allocating sufficient resources for CBP port-of-entry inspectors as well as high-tech scanners. Any reduction in CBP budget allocation to inspections at legal ports of entry would severely and perniciously intensify the flows of dangerous drugs to the United States.

Furthermore, *packages of leverage, including indictment portfolios and visa denials*, should also be developed against *Mexican national security and law enforcement officials and politicians* who sabotage the rule of law in Mexico, assist Mexican criminal groups, and perniciously hamper law enforcement cooperation with the United States. Calls to undertake such sanctions by Republican senators led by Senator Bill Hagerty of Tennessee should be carefully and diligently explored.[51]

Expanding and Smartening Up U.S. Measures Against Criminal Actors

Importantly, the United States has significant opportunities to rapidly strengthen and smarten up its own measures against Mexican criminal actors participating in fentanyl and other contraband trafficking.

Already, the Biden administration has sought to intensify and harmonize U.S. law enforcement actions against fentanyl trafficking. In March 2023, for example, it launched Operation Blue Lotus to coordinate cooperation across CBP, Immigration and Customs (ICE), Homeland

[51] Adam Shaw, "Senators Urge Biden Admin to Slap Sanctions, Visa Bans on Mexican Officials to Force Action against Cartels," Fox News, June 21, 2023, https://www.foxnews.com/politics/senators-call-biden-admin-impose-sanctions-mexican-officials-force-action-against-drug-cartels.

Security Investigations (HSI), and other federal, state, tribal, and local law enforcement agencies.[52]

Scaling up such efforts is necessary.

Some new anti-fentanyl law enforcement measures would also simultaneously enhance U.S. measures to counter wildlife trafficking and protect public health and global biodiversity.

But since Mexican drug cartels have diversified their activities into a wide array of illicit and licit commodities, *primarily focusing on drug seizures close to the source is no longer sufficient for effectively disrupting fentanyl smuggling and criminal networks implicated in it.*

Rather*, countering other economic activities* of the Mexican criminal groups is imperative. This includes countering poaching and wildlife trafficking from Mexico and illegal logging and mining in places where the Mexican cartels have reach, acting against illegal fishing off Mexico and around Latin America and elsewhere, and shutting down wildlife trafficking networks that extend into China are increasingly important elements of countering Mexican and Chinese drug-trafficking groups and reducing the flow of fentanyl to the United States.

To effectively counter fentanyl-smuggling actors requires a whole-of-government approach — not simply on paper, but truly in implementation. A wide range of U.S. government agencies should be authorized to support U.S. law enforcement against Mexican and Chinese criminal actors, fentanyl trafficking, and crimes against nature. These include U.S. intelligence agencies, the Department of State, the Department of Defense, and U.S. Fish and Wildlife Service (USFWS).

Moreover, the focused collection, analysis, and reporting of intelligence by a variety of U.S. government actors against wildlife trafficking, illegal fishing, and illegal mining could beget new opportunities to understand the criminal linkages to foreign governments, including China's, to confirm or dismiss concerns as to whether Chinese fishing vessels carry spy equipment, and to identify the crucial vulnerabilities of Mexican and other dangerous cartels.

To such end, crimes against nature should be elevated as a collection and reporting priority of the U.S. Intelligence Community, and within the U.S. National Priorities Framework.

Stove-piping in information and intelligence gathering across a wide set of illicit economies should be ended. Gathered information and intelligence should be shared with interagency analysis groups intent on interdicting the illicit international flow of scheduled drugs and endangered species. Such efforts could be enabled by significantly increasing the number of

[52] "DHS's New Operation Blue Lotus Has Already Stopped More Than 900 Pounds of Fentanyl from Entering the United States," U.S. Department of Homeland Security March 21, 2023, https://www.dhs.gov/news/2023/03/21/dhss-new-operation-blue-lotus-has-already-stopped-more-900-pounds-fentanyl-entering#:~:text=Since%20its%20launch%20on%20March,States%20through%20Sunday%2C%20March%2019.

USFWS special agents and by augmenting their respective participation in interagency Organized Crime Drug Enforcement Task Forces investigations.

The relevant intelligence on crimes against nature to understand and dismantle criminal networks could include names, phone numbers, license plates, courier accounts, bank accounts, and wiretapped conversations. Conversely, countering groups perpetrating crimes against nature could be productive in terms of freezing accounts and visas to interdict the smuggling of drugs, guns, and humans that they're conducting.

Enhancing intelligence collection and law enforcement action opportunities stemming from such an expanded lens to cover *all* of the activities, including crimes against nature, of dangerous and nefarious actors, such as Mexican cartels and Chinese criminal groups, *requires enlarging the pool of USFWS special agents and uniformed wildlife inspectors* at the U.S.-Mexico border and transportation hubs within the United States. The DEA appropriately enjoys strong capacities, currently maintaining a force of 4,000 agents.[53] In contrast, the number of USFWS special agents has for years hovered at a mere and insufficient 220.[54] For years, this inadequate number has not increased even though poaching, illegal logging, mining, and trafficking in natural resource commodities have grown enormously over the past three decades, are continually expanding, and increasingly involve Mexican drug cartels as well as Chinese criminal networks.

As a corollary and imperative effort, U.S. law enforcement agencies' legal authorities to counter wildlife trafficking should be expanded. Importantly, *wildlife trafficking should be designated as a predicate offense for wiretap authorizations*.[55] Such expanded authority would bring about multiple benefits: including the enabling, understanding, and demonstration of the connections between wildlife and transnational organized crime networks and foreign bad actors, enhancing the ability to disrupt fentanyl trafficking, and allowing for more expeditious and pointed prosecution of wildlife trafficking crimes. Currently, federal legislation at the foundation of wildlife crime prosecution, at the core of which is the Lacey Act, often entails proof of knowledge on the part of the defendant, a requirement that wiretap authorization would greatly facilitate, in the interest of prosecuting transnational wildlife trafficking and convicting criminal syndicates.

Many fentanyl-trafficking networks are not narrowly specialized in fentanyl or drugs only. Many Mexican cartels and criminal groups no longer solely focus on drug smuggling. Fentanyl smuggling networks have powerful protectors among corrupt government officials worldwide. Incentivizing better cooperation from the Chinese and Mexican criminal governments is important. But particularly given the challenges in inducing such cooperation in the current geopolitical environment and given the policy orientation of the current Mexican government, it is equally crucial to enhance the United States' own policy tools to counter fentanyl-trafficking

[53] DEA Administrator Anne Milgram, DEA Leadership profile, https://www.dea.gov/about/dea-leadership#:~:text=As%20Administrator%2C%20she%20leads%20an,foreign%20offices%20across%20the%20globe

[54] U.S. Fish and Wildlife Service, Office of Law Enforcement, "Law Enforcement at a Glance," Fiscal Year 2022, October 28, 2022.

[55] See 18 USC 2516, Authorization for interception of wire, oral, or electronic communications.

networks. Expanding the intelligence-gathering aperture and mandating and resourcing a whole-of-government approach in support of U.S. law enforcement will save U.S. lives currently decimated by fentanyl overdoses.