



# Drug Market Analysis

# 2008

# West Texas

# High Intensity Drug Trafficking Area



NATIONAL DRUG INTELLIGENCE CENTER  
U.S. DEPARTMENT OF JUSTICE



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This assessment is an outgrowth of a partnership between the NDIC and HIDTA Program for preparation of annual assessments depicting drug trafficking trends and developments in HIDTA Program areas. The report has been coordinated with the HIDTA, is limited in scope to HIDTA jurisdictional boundaries, and draws upon a wide variety of sources within those boundaries.



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# PREFACE

This assessment provides a strategic overview of the illicit drug situation in the West Texas High Intensity Drug Trafficking Area (HIDTA), highlighting significant trends and law enforcement concerns related to the trafficking and abuse of illicit drugs. The report was prepared through detailed analysis of recent law enforcement reporting, information obtained through interviews with law enforcement and public health officials, and available statistical data. The report is designed to provide policymakers, resource planners, and law enforcement officials with a focused discussion of key drug issues and developments facing the West Texas HIDTA.

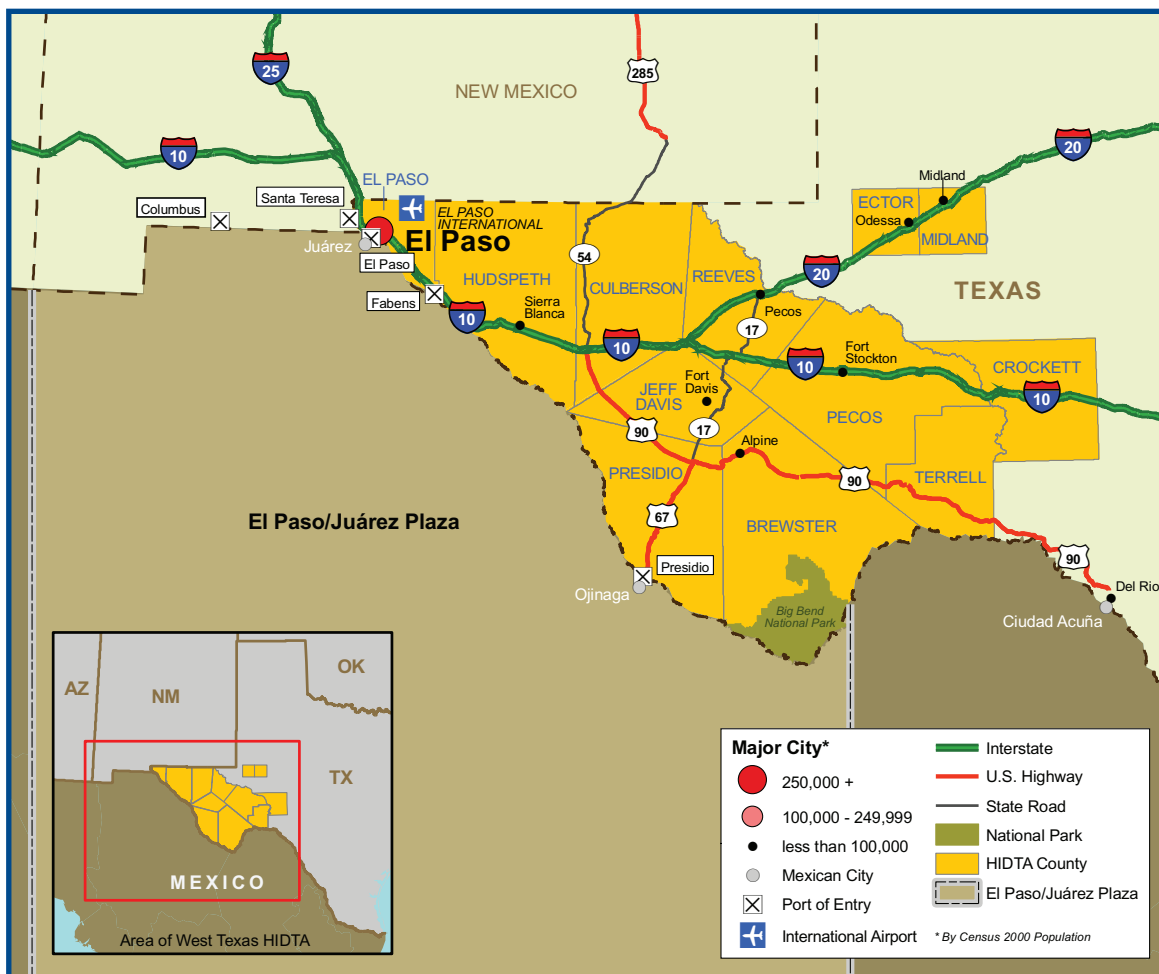


Figure 1. West Texas High Intensity Drug Trafficking Area.



## STRATEGIC DRUG THREAT DEVELOPMENTS

- Mexican drug trafficking organizations (DTOs) are increasingly transporting marijuana to and through the West Texas HIDTA region; they are also increasingly using the region as a distribution center for the drug. Both developments are occasioned by heightened marijuana smuggling operations on the part of the Mexican DTOs and increased law enforcement presence in other regions along the Southwest Border.
- The amount of cocaine transported to and through the HIDTA region by Mexican DTOs has decreased over the past year, most likely the result of the suspension of cocaine shipments by a DTO operating in the El Paso/Juárez plaza, large cocaine seizures in transit toward the United States, law enforcement efforts against prominent Mexican DTOs, increased drug interdiction efforts in Mexico, and violent conflicts between competing Mexican DTOs.
- Methamphetamine seizures in the HIDTA region have declined over the past 3 years, indicating a decreased flow of the drug from Mexico into the region. Decreases in domestic production as well as increases in precursor control legislation and drug interdiction efforts in Mexico have affected the flow of methamphetamine into the region.
- Violence in Juárez, Mexico, particularly against law enforcement, has increased substantially since the beginning of 2008. As a result of the increase in violent crime, the Mexican Government has increased Mexican military and law enforcement presence in the city.
- The Sinaloa and Juárez Cartels are battling for control of drug trafficking through the El Paso/Juárez plaza, and the dominant cartel has yet to be established. Increased military

and law enforcement presence in the plaza will quite likely delay the resolution of this conflict.

## HIDTA OVERVIEW

The West Texas HIDTA region lies along a 520-mile section of the U.S.–Mexico border in Southwest Texas and encompasses 12 counties; Ector and Midland Counties were added to the HIDTA in 2008.<sup>1</sup> (See [Figure 1 on page 1.](#)) The HIDTA is used by Mexican DTOs as a principal smuggling corridor and staging area for drug transportation to markets in San Francisco, California; Denver, Colorado; Atlanta, Georgia; Miami, Florida; Chicago, Illinois; New York, New York; and Dallas/Fort Worth and Houston, Texas. The increasingly violent struggle among Mexican DTOs for control of drug smuggling as well as between these DTOs and Mexican military and law enforcement in the El Paso, Texas /Juárez, Mexico, plaza substantiates the West Texas HIDTA region’s strategic importance to Mexican traffickers. Moreover, the region’s location along the U.S.–Mexico border poses national security and law enforcement issues for the region, such as alien smuggling, weapons transportation, and terrorist entry into the United States through and between ports of entry (POEs).

Most drugs smuggled into and through the region pass through the El Paso /Juárez plaza, a major drug smuggling corridor that extends from the “boot heel” of New Mexico to the eastern boundary of Big Bend National Park and includes the El Paso, Fabens, and Presidio POEs in Texas and the Columbus and Santa Teresa POEs in New Mexico. Mexican DTOs use El Paso, the most populous metropolitan area in West Texas, as a principal staging area, transshipment point, and distribution center for illicit drugs destined for drug markets

1. Although Ector and Midland counties were added to the West Texas High Intensity Drug Trafficking Area (HIDTA) in 2008, statistics and law enforcement reporting in this report reflect only the counties contained within the HIDTA in 2007.



throughout the nation. El Paso is located on Interstate 10, a major drug trafficking route that links the HIDTA region to many national-level drug markets, generally through connections to Interstates 20 and 25.

Mexican DTOs exploit the robust, legitimate cross-border economic activity and social interaction between El Paso and its sister city, Ciudad Juárez. On a smaller scale, they also exploit locations between Presidio and Ciudad Ojinaga, Mexico, to conduct their smuggling activities. The thriving *maquiladora* industry<sup>2</sup> is a major contributor to increased cross-border pedestrian, passenger vehicle, and commercial truck traffic—more than 200,000 U.S. and Mexican citizens traverse the border daily between these sister cities—creating ideal conditions for smuggling illicit drugs into the United States and returning drug proceeds to Mexico. Moreover, DTOs frequently arrange their smuggling activities to coincide with periods of high traffic, reducing the likelihood that their vehicles will be inspected. Mexican DTOs also use the sparsely populated arid desert and semiarid mountains and canyons of the West Texas HIDTA region as well as the numerous low-level water crossings along the Rio Grande River to conceal their smuggling activities. Big Bend National Park, which encompasses over 800,000 acres along the U.S.–Mexico border in West Texas, is exploited by these traffickers, who take advantage of the remote areas and limited law enforcement presence in the park to smuggle drugs into the HIDTA region.

## DRUG THREAT OVERVIEW

The smuggling and transshipment of multiton quantities of marijuana and multikilogram quantities of powder cocaine are the principal drug problems in the West Texas HIDTA region.

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2. *Maquiladoras* are factories that obtain duty-free materials and components from foreign suppliers, including U.S. suppliers, and use them to manufacture finished products, such as textiles, in Mexico and return the products to the foreign suppliers.

Cocaine and marijuana smuggled through the HIDTA region are distributed in drug markets throughout the country. The amount of cocaine smuggled through and from the HIDTA region decreased from 2005 to 2007, with a notable decrease occurring from 2006 to 2007. This decrease could be due to a temporary suspension of cocaine shipments by a DTO operating in the El Paso/Juárez plaza; large cocaine seizures in transit toward the United States; violent conflicts between competing Mexican DTOs as well as between DTOs and Mexican military and law enforcement personnel; increasing seizures in Mexico; and increased smuggling of the drug to Europe. The amount of marijuana transported through and distributed from the HIDTA appears to be increasing, a development that could be attributed to the increased presence of the Sinaloa Cartel in the El Paso/Juárez plaza over the past several years, which controls many of the production areas in Mexico.

Heroin, methamphetamine, other dangerous drugs (ODDs), diverted pharmaceuticals, and precursor chemicals are also smuggled into and transshipped from the West Texas HIDTA region; however, the quantities seized in this region are well below those seized in other areas along the Southwest Border. A decrease in heroin trafficking to and from the HIDTA region from 2005 through 2007 could be attributed to an increase in seizures of the drug in Mexico. Methamphetamine seizures in the HIDTA region decreased overall from 2005 through 2007, indicating a decreased flow of the drug from Mexico into the region attributed to stronger precursor chemical control regulations and increased drug interdiction efforts in Mexico. The availability of all other drugs appears to have remained consistent with 2006 smuggling trends.

Drug production in the West Texas HIDTA region is limited because of the ready supply of drugs smuggled from Mexico. Powder methamphetamine production is negligible in West Texas as a result of a lack of demand for the drug in most areas of the HIDTA. Indoor cannabis grows are virtually nonexistent in the region. Large outdoor cannabis grows



have previously been seized in Big Bend National Park; however, no large grows have been seized there since 2003.

Illicit drug abuse in the West Texas HIDTA region takes place primarily in El Paso, the HIDTA region's population center. The scattered and sparse population in areas outside El Paso precludes collection of accurate information pertaining to drug abuse in other counties of the HIDTA region. Drug-related admissions in El Paso County decreased slightly overall from 2005 to 2007, with the majority of admissions for powder cocaine and heroin abuse.

## DRUG TRAFFICKING ORGANIZATIONS

Mexican DTOs are the primary organizational threat to the region. Maintaining sophisticated command-and-control centers in Mexico, they exert nearly total control over drug trafficking operations through the El Paso/Juárez plaza. The West Texas HIDTA has identified six Mexican organizations—the Vicente Carrillo-Fuentes (Juárez Cartel), Armando Corral-Herrera, Ismael Zambada-García, Juan José Esparragosa-Moreno, Joaquín Guzmán-Loera (Sinaloa Cartel), and Arellano-Félix (Tijuana Cartel) Organizations—as well as 129 multistate and 606 local DTOs that conduct drug trafficking activities in the area.<sup>3</sup> Mexican DTOs compartmentalize their organizations in order to insulate themselves from law enforcement. Contributing to the magnitude of this threat is the ease with which Mexican DTOs adapt to law enforcement efforts to detect and dismantle their operations.

3. Multistate drug trafficking organizations (DTOs) are organizations or groups of 5 to 15 individuals who operate in the United States and Mexico. These DTOs typically operate outside the Southwest Border area and assist other DTOs in drug trafficking and money laundering activities; however, they usually specialize in one type of activity, such as transportation of drugs through checkpoints. Local DTOs are organizations of 5 to 12 individuals who operate in the United States and Mexico. They generally operate within the Southwest Border area and assist larger DTOs in various drug trafficking and money laundering activities.

They also use violence and intimidation to deter law enforcement authorities, control organization members, and secure smuggling territories. These DTOs reportedly use their own financial resources and those of corrupt Mexican businessmen to conduct their trafficking activities. Additionally, these DTOs have enlisted corrupt law enforcement officials in Mexico and, to a lesser extent, in the United States to assist in their drug trafficking operations.

DTOs operating within the West Texas HIDTA use numerous advanced communication techniques in order to facilitate drug smuggling across the Southwest Border. Traffickers commonly use prepaid cell phones, satellite phones, and two-way radios, which are often seized by law enforcement during investigations, to communicate with each other during trafficking operations. For example, an organization operating in the El Paso/Juárez plaza uses a sophisticated system of two-way radios and satellite phones to facilitate the smuggling of ton quantities of marijuana into the HIDTA. Traffickers often change communication devices in order to avoid law enforcement detection. For instance, they frequently discontinue cell phone service and start over with a new phone and phone number. Additionally, traffickers use numerous communication devices during a single transaction in order to avoid detection by authorities.

Control of drug trafficking in the El Paso/Juárez plaza is currently in flux. The Sinaloa and Juárez Cartels are battling for control of drug trafficking through the plaza, and the dominant cartel has yet to be established. The violence resulting from this struggle has had an impact on drug flow, particularly the flow of cocaine, from Mexico into the HIDTA. Furthermore, since January 2008, these cartels have been engaged in violence not only against each other but also against the increased Mexican military and law enforcement presence in the Juárez area. Increased military and law enforcement presence in the plaza will quite likely delay the resolution of this conflict in the near term.

### Drug Trafficking Organizations, Criminal Groups, and Gangs

**Drug trafficking organizations** are complex organizations with highly defined command-and-control structures that produce, transport, and/or distribute large quantities of one or more illicit drugs.

**Criminal groups** operating in the United States are numerous and range from small to moderately sized, loosely knit groups that distribute one or more drugs at the retail level and midlevel.

**Gangs** are defined by the National Alliance of Gang Investigators' Associations as groups or associations of three or more persons with a common identifying sign, symbol, or name, the members of which individually or collectively engage in criminal activity that creates an atmosphere of fear and intimidation.

In addition to fighting with each other for control of the El Paso/Juárez plaza, Mexican DTOs in the region are battling with Mexican law enforcement as a result of increased Mexican counter-drug operations. Some DTOs have consolidated or formed alliances to combat law enforcement and military operations in Mexico. Although the degree of violence against Mexican law enforcement officers and military personnel in areas of Mexico adjacent to the West Texas HIDTA region has not reached the levels that exist in other areas of Mexico, it appears to be on the rise. In fact, from January through April 2008, 140 drug-related murders occurred in the Juárez area; 17 of the murder victims were law enforcement officers. For example, in January 2008 three Mexican law enforcement officers were shot; these attacks are believed to have been at the behest of the Sinaloa Cartel.

Mexican DTOs have strengthened their control over drug trafficking operations in the region by forming working alliances with prison gangs,<sup>4</sup> street gangs, and outlaw motorcycle gangs (OMGs) to transport, stash, and package illicit

4. Prison gangs operate within state correctional facilities located in the HIDTA as well as on the streets, particularly in El Paso.

drugs and to assist in money laundering activities. Mexican DTOs take advantage of the organizational networks that these gangs have established to distribute drugs in the area. Barrio Azteca<sup>5</sup> is the primary gang operating in the El Paso/Juárez area; however, its operations could be hindered in the near term as a result of recent arrests of key members. In January 2008 seven high-ranking members, including one lieutenant, were indicted on drug trafficking, money laundering, murder, and extortion charges. According to law enforcement officials, these arrests will quite likely decrease the gang's ability to transport and distribute drugs in the HIDTA region.

## PRODUCTION

Drug production in the HIDTA region is limited because of the ready supply of drugs smuggled into the area from Mexico by Mexican traffickers. Powder methamphetamine production is negligible in West Texas as a result of a lack of demand for the drug in most areas of the HIDTA; moreover, available supplies of Mexican methamphetamine satiate local demand. According to the El Paso Intelligence Center (EPIC) National Seizure System (NSS), only three methamphetamine (powder) laboratories were seized from 2005 through 2007; all were located in El Paso County. Only small amounts of methamphetamine were produced at seized laboratories, and most of the drug was intended for personal use by the laboratory operators or distribution in small networks.

Cannabis cultivation, both indoor and outdoor, is limited in the West Texas HIDTA region as a result of the wide availability of Mexican marijuana. Indoor cannabis grows are virtually nonexistent in the region. The terrain in West Texas is not conducive to outdoor cannabis cultivation, except along the Rio Grande River in Big Bend National Park. Large outdoor cannabis grows have

5. Barrio Azteca is a prison gang with a military-style hierarchy that provides protection to DTOs operating in the area and collects "taxes" from distributors who sell drugs at the street level in El Paso.



previously been seized in Big Bend National Park; however, no large grows have been seized there since 2003.

## TRANSPORTATION

Mexican DTOs smuggle multiton shipments of marijuana and multikilogram quantities of cocaine into the West Texas HIDTA region for transshipment to drug markets throughout the United States; some is distributed in the region. Mexican DTOs also smuggle heroin and methamphetamine into and through the area, but to a much lesser extent. Marijuana, methamphetamine, and heroin are generally transported from production sites in Mexico to warehouses and stash houses on the Mexico side of the U.S.–Mexico Border for staging prior to being smuggled into the United States. Cocaine, which is obtained by Mexican DTOs from Colombian DTOs in South America, is transported through Mexico to these same staging areas. The Mexican DTOs that transport illicit drugs to staging areas in Mexico typically contract with other Mexican organizations to transport the drugs from the staging areas into the West Texas HIDTA region, where the drugs typically are consolidated and stored in stash houses for later transportation to drug markets throughout the United States. Mexican DTOs commonly employ independent transportation brokers to facilitate the movement of drug shipments across the U.S.–Mexico border as well as into and through the West Texas HIDTA region. These brokers help to further insulate DTOs from law enforcement.

Gatekeepers<sup>6</sup> regulate the drug flow from Mexico across the U.S.–Mexico border into the United States by controlling drug smugglers' access to areas along the border. Gatekeepers collect "taxes" from smugglers on all illicit shipments, including drugs and illegal aliens, moved through these areas.

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6. Gatekeepers are smuggling organizations that oversee the transportation of drugs into the United States from Mexico. Gatekeepers generally operate at the behest of a Mexican DTO and enforce the will of the organization through bribery, intimidation, extortion, beatings, and murder.

The taxes are generally paid to the DTO that controls the area; the DTO then launders the tax proceeds. Gatekeepers sometimes resort to extortion, intimidation, and acts of violence to collect taxes from smugglers. Gatekeepers also reportedly bribe corrupt Mexican police and military personnel in order to ensure that smuggling activities can proceed without interruption.

The West Texas HIDTA's geographic location, large amount of cross-border traffic, and highway infrastructure make it a significant entry point for drugs along the Southwest Border. The West Texas HIDTA region is located in the center of the Southwest Border, making it accessible to eastern and western markets through its highway infrastructure. Further, the El Paso POE, the second-busiest for commercial traffic (next to Laredo), is located in the HIDTA region. The other two POEs located in the HIDTA, Fabens and Presidio, add to the amount of cross-border traffic. Additionally, the geographic layout of highways and checkpoints gives traffickers more options to move their drug shipments undetected, unlike some other areas of the border. For example, the Kingsville/Sarita checkpoint on U.S. Highway 77 and the Falfurrias checkpoint on U.S. Highway 281 in south Texas are strategically located to funnel all northbound traffic entering the United States from approximately Roma to Brownsville, making it difficult for traffickers to bypass these checkpoints. Conversely, the Sierra Blanca checkpoint on I-10 in the HIDTA is less effective at funneling drug shipments coming across the border to one area, giving traffickers numerous other possible routes to transport their shipments.

*La Entrada al Pacifico*, a trade route currently under construction in Mexico, most likely will not be finished by its projected completion date of 2010.<sup>7</sup> (See Figure 2 on page 7.) The

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7. *La Entrada al Pacifico*, or Gateway to the Pacific, is a four-lane highway currently under construction. It will extend from Port Topolobampo in Sinaloa on the Pacific Coast of Mexico through Ojinaga, Chihuahua, to the Presidio, California, port of entry (POE), serving as a major trade route for the movement of cargo from the eastern Pacific Ocean to the Southwest Border.





Figure 2. La Entrada al Pacifico.

Mexican Government has switched its emphasis to a new border road project that would construct a highway from Presidio to Del Rio as well as all along Mexico's northern border. Construction of this roadway will give DTOs better access to long stretches of the border where currently there are only rough or nonexistent roads.

Mexican DTOs also transport illicit drugs, primarily marijuana, between POEs, particularly in the eastern portion of the West Texas HIDTA

region. Drug traffickers take advantage of the sparse population, relatively open border, and rugged terrain to conceal their drug smuggling activities. Couriers smuggle significant quantities of illicit drugs into the area at numerous low-water crossings, using vehicles, horses, and all-terrain vehicles (ATVs). They also cross on foot. The number and remoteness of the crossings make it difficult for law enforcement agencies to effectively monitor these activities.



Big Bend National Park, which shares a 118-mile-long border with Mexico, is vulnerable to drug and alien smuggling. As with other areas between POEs along the U.S.–Mexico border in West Texas, limited law enforcement presence and rugged terrain make the park conducive to smuggling activities. National Park Service officials report that Mexican DTOs commonly transport large shipments of drugs, primarily marijuana, through the park. In 2002 U.S. Customs and Border Protection (CBP) closed the Boquillas crossing in Big Bend National Park. Currently, no official POEs exist along the park’s border with Mexico; however, many areas along the Rio Grande River are routinely traversed by traffickers and illegal aliens. Smuggling activities in this area also pose a potential threat to park visitors, particularly those who inadvertently encounter a smuggling operation in progress.

In addition to overland smuggling, Mexican DTOs use private aircraft to smuggle illicit drugs into the area, but to a much lesser extent than land conveyance methods. The financial resources of Mexican DTOs and their ability to adapt their trafficking operations to avoid law enforcement detection render this mode of transportation a potentially significant vulnerability for the West Texas HIDTA region. Dirt roads, dry lake beds, and other flat terrain on both sides of the U.S.–Mexico border are particularly useful to traffickers as makeshift landing strips. Traffickers use makeshift strips in northern Mexico to offload and store illicit drugs near the border pending transportation into the region; they also use strips on the U.S. side of the border to fly directly into the HIDTA region, employing low-level flights to avoid radar detection.<sup>8</sup>

8. The Air and Marine Interdiction Coordination Center (AMICC), which uses radar to track aircraft approaching the U.S.–Mexico border, reports that aircraft often fade from radar near the border and appear to land at airports, airfields, and remote locations in Mexico. Many “fades” are indicative of traffickers’ moving drugs to locations near the border and offloading the shipments overland into the United States.

## DISTRIBUTION

Illicit drugs smuggled from Mexico into the West Texas HIDTA region are typically transported to stash houses in El Paso or Midland/Odessa, where the drugs are consolidated, repackaged, and transhipped to drug markets nationwide. El Paso is the primary transshipment point for drugs smuggled into the western half of the HIDTA region, while Midland/Odessa is the principal transshipment point for drugs smuggled into the eastern half of the HIDTA region. These transshipment points are used by Mexican DTOs to supply significant market areas—particularly the southeastern United States, including Atlanta, as well as other markets such as Chicago, Illinois; Dallas/Fort Worth, Texas; and Denver, Colorado. Most drug shipments are transported from the HIDTA region to these distribution centers over interstate and secondary highways. Because Mexican DTOs generally use stash houses in the HIDTA region to store illicit drugs prior to shipment, the investigation and dismantlement of such locations are a major focus of law enforcement in the area. The West Texas HIDTA Stash House Initiative, which targets stash houses in the El Paso area, has been very successful since its inception in 1999. In 2007 the Stash House Initiative resulted in the seizure of 41,325 pounds of marijuana, 145 pounds of cocaine, and \$165,402 in U.S. currency.

The amount of marijuana transported through and distributed from the HIDTA is decreasing. According to West Texas HIDTA data, the amount of marijuana seized by law enforcement in West Texas HIDTA counties decreased 22 percent from 2005 through 2007, with the lowest seizure amounts occurring in 2007 (See Table 1 on page 9.) Despite this decrease in marijuana seizures within the HIDTA, the El Paso POE has become the primary POE for marijuana seizures along the border in 2007. Increased seizures of the drug in Mexico (arising from enhanced counterdrug efforts in Chihuahua) and at the El Paso POE may have contributed to decreased seizures of the drug in the HIDTA.

The amount of cocaine smuggled through and from the HIDTA region has decreased. According to HIDTA data, the amount of cocaine seized by law enforcement in HIDTA counties decreased 40 percent from 2005 through 2007; a notable decrease occurred from 2006 to 2007. (See Table 1.) Law enforcement reporting indicates that a temporary suspension of cocaine shipments by a cartel operating in the El Paso/Juárez plaza occurred in 2007. This suspension is believed to have occurred because the organization implementing the suspension wanted to make sure that all cocaine shipments were being “taxed”; anyone moving the drug through the plaza was an authorized transporter of the drug; and the organization had the allegiance of corrupt law enforcement and government officials in the plaza prior to smuggling the drug in order to minimize loss from Mexican law enforcement seizures. Additionally, during 2007 law enforcement reporting indicated a shortage in cocaine availability in several U.S. markets. This shortage was attributed to large cocaine seizures in transit toward the United States; law enforcement efforts against prominent Mexican DTOs; violent conflicts between competing Mexican DTOs as well as DTOs and Mexican military and law enforcement personnel; increasing seizures in Mexico; and increased smuggling of the drug to Europe. It is likely that the flow of cocaine through the West Texas HIDTA in 2007 was further affected by these factors.

Heroin trafficking to and from the HIDTA region decreased overall from 2005 through 2007. According to West Texas HIDTA data, heroin seizures decreased 5 percent overall during this time frame, peaking at 101 kilograms in 2006. (See Table 1.) Several large seizures by CBP accounted for the high level of heroin seized in 2006. Heroin production estimates indicate that production in Mexico increased from 8.6 metric tons in 2004 to 12.7 metric tons in 2006, the latest data available. This increase quite likely played a factor in increased flow of the drug into the HIDTA in 2006. Additionally, in 2007 increased drug enforcement efforts by Mexican military and law enforcement personnel led to more seizures of the drug as well as the eradication of more poppy crops, affecting the amount of heroin smuggled into the West Texas HIDTA.

Methamphetamine seizures in the HIDTA region decreased overall from 2005 through 2007, indicating a decreased flow of the drug from Mexico into the region. According to HIDTA data, methamphetamine seizures decreased 91 percent from 2005 to 2007, with a large decrease occurring from 2006 to 2007. (See Table 1.) Methamphetamine seizures peaked in 2005 and 2006, quite likely because Mexican DTOs increased ice methamphetamine smuggling into the United States in response to large decreases in powder methamphetamine production that year in the United States. Furthermore, the government of

**Table 1. Drug Seizures in the West Texas HIDTA, 2005–2007, in Kilograms\***

Drug	Year			
	2005	2006	2007	Percent Change 2005–2007
Cocaine	1,892	3,135	1,143	-40
Heroin	20	101	19	-5
Marijuana	169,402	173,958	131,953	-22
Methamphetamine	105	150	9	-91

Source: West Texas High Intensity Drug Trafficking Area.

\*Seizures reported by the West Texas HIDTA include seizures by federal, state, and local agencies.



Mexico strengthened precursor chemical control regulations in Mexico and increased drug interdiction efforts, actions that most likely resulted in a decreased flow of methamphetamine through the HIDTA region.

Retail drug distribution in the area is greatly overshadowed by wholesale drug transshipment; however, retail distribution does take place and is often associated with violent and property crime. Most retail distribution in the HIDTA region occurs in El Paso, the largest population center. The level of drug abuse in El Paso, however, is low as a result of low per capita earnings and the lack of an inner city in which open-air markets can be established. Limited retail distribution does occur in areas throughout the HIDTA, including private residences, parking lots, and nightclubs. Powder cocaine, marijuana, and heroin are the primary drugs distributed at the retail level in El Paso; methamphetamine is available in limited quantities.

Local independent distributors, street gangs, and prison gangs are the primary retail-level drug distributors operating in the HIDTA region. According to law enforcement reporting, 500 street gangs and 20 prison gangs are involved to varying degrees in retail drug distribution. For instance, Barrio Azteca controls cocaine, heroin, and marijuana distribution in El Paso. Because of its connections to Mexican DTOs operating in the El Paso/Juárez plaza, Barrio Azteca has a direct source of supply for heroin and other illicit drugs. However, the gang's activities have been limited as a result of a "safe zone" injunction initiated in 2003 that prohibits its members from being on the street after dark.<sup>9</sup> In the coming year, Barrio Azteca's activities may be further limited as a result of the recent arrest and indictment of several of the gang's key members.

9. The "safe zone" injunction mandates that certain members of Barrio Azteca abide by restrictions while in the designated safe zone area. Among other restrictions, gang members listed in the injunction must adhere to a 10 p.m. curfew, are prohibited from using cell phones and pagers while in public, and are not permitted in area restaurants and bars that are frequented by gang members and used to facilitate the distribution of illicit drugs.

## DRUG-RELATED CRIME

Violent crime in the West Texas HIDTA is largely the result of large-scale drug trafficking through the region. Mexican DTOs operating in the West Texas HIDTA region are violent, powerful, well-financed organizations. These DTOs have intelligence, weaponry, and communication capabilities that they use against each other as well as against U.S. law enforcement. The capabilities and violent tendencies of these sophisticated organizations are a significant challenge for law enforcement officials at the West Texas–Mexico border, particularly since the resources of Mexican DTOs often surpass those of law enforcement.

Violence in Juárez, particularly against law enforcement, has increased substantially since the beginning of 2007. As a result of this increase in violent crime, the government of Mexico has increased military and law enforcement presence in the city. Mexican military presence in Juárez will probably cause the rate of drug-related violence to increase—traffickers view this measure as a threat to their smuggling activities. This violence could spill into the HIDTA region, since DTOs may more readily confront law enforcement officers in the United States who seek to disrupt these DTOs' smuggling operations. Violence has extended into the HIDTA region in the past when traffickers felt pressure from U.S. law enforcement. For example, a number of armed encounters between Mexican traffickers and U.S. law enforcement personnel occurred on the U.S. side of the border in 2006. On two separate occasions heavily armed units of traffickers appeared on the banks of the Rio Grande River east of El Paso during smuggling attempts, preventing law enforcement officers from pursuing couriers, who fled across the border into Mexico. Although these confrontations did not escalate into violent shoot-outs, U.S. law enforcement officers were prevented from apprehending drug couriers because of the manpower and cache of weapons possessed by Mexican traffickers. It is quite likely that this type of violence will escalate because DTOs are increasingly contending with drug enforcement operations in Mexico as well as the United States.



## ABUSE

Illicit drug abuse in the West Texas HIDTA region takes place primarily in El Paso, the HIDTA region’s population center. Drug-related admissions in El Paso County decreased slightly overall from 2005 to 2007. According to the Texas Department of State Health Services (DSHS), most drug-related treatment admissions to publicly funded facilities in the HIDTA region occur in El Paso County and are for powder cocaine and heroin abuse. Powder cocaine-related admissions decreased from 2005 to 2007, while crack cocaine-related admissions remained stable, with a peak in admissions for both drugs occurring in 2006. This pattern of treatment admissions is similar to a trend in drug seizures in the HIDTA during this time period; cocaine seizures peaked in 2006 but decreased overall from 2005 to 2007. (See Table 1 on page 9 and Table 2, below.) The scattered and sparse population in areas outside El Paso precludes collection of accurate information pertaining to drug abuse in other counties of the HIDTA region. However, Texas DSHS reporting does reveal that treatment admissions appear to be low in these counties; most have fewer than 10 reported treatment admissions each year.

**Table 2. Drug-Related Treatment Admissions to Publicly Funded Facilities in El Paso County, 2005–2007**

	2005	2006	2007
Powder Cocaine	449	474	392
Crack Cocaine	195	269	195
Heroin	387	347	344
Marijuana/Hashish	187	156	176
Amphetamines	38	49	35
<b>Total</b>	<b>1,256</b>	<b>1,295</b>	<b>1,142</b>

Source: Texas Department of State Health Services.

## ILLICIT FINANCE

Bulk cash smuggling is the primary method used by traffickers to move drug proceeds from the West Texas HIDTA region to Mexico, as a result of the area’s proximity to the border, the limited inspections of southbound traffic by U.S. and Mexican law enforcement officers, and the relative ease with which cash can be placed into Mexican financial systems. It is difficult to assess the quantity of U.S. currency transported from market areas through the HIDTA region to Mexico as a result of the limited inspection of southbound traffic. However, seizure data indicate that large quantities, some totaling \$1 million or more, are smuggled through the area. For example, in January 2008 the El Paso County Sheriff’s Office seized approximately \$1 million from a tractor-trailer during a routine traffic stop on I-10 in eastern El Paso County. Additionally, the Texas Department of Public Safety seized over \$2 million concealed behind a flat screen television in a van on U.S. Highway 54 in El Paso in May 2007. When bulk cash is transported through the West Texas HIDTA region and smuggled across the Southwest Border, it is further processed in any of the following ways: individuals deposit the cash into banks and *casas de cambio* (exchange houses)<sup>10</sup> in Mexico and electronically wire it back to the United States; complicit Mexican financial institutions repatriate the cash to the United States using cash couriers, armored cars, or deposits into correspondent accounts; smugglers transport the money to Venezuela, Panama, Costa Rica, or other Latin American countries, where it can be used to pay for goods—both legitimate and illicit—on the black market in Colombia; or individuals move

10. Because of strict Texas laws and their associated robust enforcement, DTOs use *casas de cambio* located in Mexico rather than in Texas to launder drug proceeds.



the funds to offshore jurisdictions in which bank secrecy regulations are strict.<sup>11</sup>

Mexican DTOs operating in the West Texas HIDTA region also use traditional depository financial institutions (DFIs) and money services businesses (MSBs), such as money transmitters and *casas de cambio* located in the area, to launder drug proceeds within the HIDTA region, although to a much lesser extent. DFIs and MSBs are used to a much greater degree in Mexico, where bulk currency smuggled through West Texas into Mexico is processed and often sent back to the United States.

## OUTLOOK

The West Texas HIDTA's status as a significant entry point for drugs along the Southwest Border may increase in the long term. Once a dominant cartel is established in the El Paso/Juárez plaza, stability will return to the area, and the flow of drugs most likely will increase. The degree to which this increase will occur depends on the dominant cartels' access to supply and production areas in Mexico as well as the extent to which the cartel's structure has been weakened during the struggle. Moreover, the presence of Mexican military and law enforcement personnel in Juárez will continue to discourage traffickers from moving shipments through the plaza because of the increased risk of seizure. Once Mexican military and law enforcement presence declines in the plaza, drug smuggling will most likely increase or return to previous levels, depending on which organization prevails.

The amount of marijuana and cocaine transported through the HIDTA region may increase once a cartel asserts dominance over the El Paso/

Juárez plaza. If the Sinaloa Cartel were to gain more control of the plaza, increased marijuana could flow into the HIDTA region as a result of the cartel's significant access to cannabis cultivation areas in Mexico. Cocaine smuggling into the HIDTA region may also increase as a dominant cartel is established in the plaza and DTOs overcome supply obstacles in Mexico. Additionally, accessibility to international source areas by the DTO that takes control of the plaza will determine cocaine flow.

The HIDTA region will most likely see a decrease in the flow of methamphetamine in the near term as a result of precursor regulations and counterdrug operations in Mexico. Enhanced import and chemical control restrictions will go into effect in 2008 and 2009; these restrictions could further impact production of the drug in Mexico. As new precursor laws come into effect, methamphetamine production may further be hindered in Mexico in the short term until DTOs either find alternative sources for the drug outside Mexico or find ways to circumvent the regulations. Additionally, the Mexican Government most likely will conduct additional counterdrug operations—actions that could lead to increased seizures of the drug.

The disruption of Barrio Azteca's command-and-control structure may hinder the gang's drug trafficking operations in the near term. Recent arrests of several key members of Barrio Azteca have most likely affected the leadership structure in the organization, communication among members, and associations that the gang has with outside organizations, particularly the DTOs operating in the El Paso/Juárez plaza. As a result, the gang's retail drug distribution in El Paso and the drug trafficking activities that it conducts at the behest of cartels operating in the plaza may be impeded. Barrio Azteca's ability to restructure its organizational hierarchy will have the most influential effect on how quickly the gang's trafficking operations can be restored.

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11. A correspondent account is established by a foreign bank at a financial institution in the United States in order to conduct business in the United States without maintaining a physical presence. This account is used to receive deposits from, make payments or other disbursements on behalf of, or handle other financial transactions related to the foreign bank.

## SOURCES

### Local, State, and Regional

- Ector County Sheriff's Office
- El Paso County Sheriff's Office
- El Paso Metro Task Force
- El Paso Police Department
- Midland Police Department
- Odessa Police Department
- State of Texas
  - Texas Department of State Health Services
  - Texas Department of Public Safety
- Union Pacific Railroad Police Department
- University of Texas at Austin
  - Center for Social Work Research
  - School of Social Work
- Gulf Coast Addiction Technology Transfer Center
- West Texas Narcotics Enforcement Task Force

### Federal

- Executive Office of the President
  - Office of National Drug Control Policy
  - High Intensity Drug Trafficking Areas
  - Southwest Border
  - West Texas Region
- U.S. Department of Homeland Security
  - U.S. Customs and Border Protection
  - U.S. Border Patrol
  - El Paso Sector
  - Marfa Sector
- U.S. Department of Justice
  - Drug Enforcement Administration
  - El Paso Field Division
  - Alpine Resident Office
  - Midland Resident Office
  - National Seizure System
- Federal Bureau of Investigation
  - El Paso Division
- U.S. Department of the Interior
  - National Park Service
  - Big Bend National Park
  - Law Enforcement Office

### Other

- El Paso Times*



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