Gunrunners: Arms Trafficking to Mexico

Frontline, the Center for Public Integrity, Investigative Reporting Workshop, and InSight Crime

2011
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GunRunners - Introduction to the Joint Project

In the little over four years that Felipe Calderon has been president of Mexico, the Mexican government has registered 34,162 deaths due to organized criminal violence. It has also seized 93,000 weapons, the vast majority of which come from the United States, say Mexican authorities. And while no one knows exactly how many weapons cross the Mexican border illegally per year, the relationship between firepower and violence is unmistakable in Mexico.

Beginning in 2004, the Mexican criminal syndicates began an arms war that has spread from north to south and even into neighboring countries like Guatemala and Honduras. The weapons have allowed groups like the Sinaloa Cartel to develop mini-armies that, much like their Mexican military counterparts, have sought to fight and gain territorial control of strategic and lucrative trafficking corridors.

Homicide rates due to organized crime have since skyrocketed, reaching 15,273 last year. This includes hundreds of politicians, policemen and ordinary citizens. As the drug-war death toll climbs, so too does the lethality of the weaponry favored by the cartels. A country with but one gun store - and some of the strictest gun laws in the world - is now awash in military-style assault weapons.

One of the most popular, and a focus of our investigation, is a cheap durable knockoff of the AK-47, called the WASR-10, made in Romania. Known as the "Cuerno de Chivo," or "Goat's Horn," in Mexico, because of its curved magazine, this is the Mexican criminal syndicates' most popular weapon. It is easily altered from a semi-automatic to an automatic, is easy to operate and is virtually indestructible even while facing all matters of climate.

These semi-automatic rifles are readily available in many of the 6,700 gun stores along the southern border, despite a U.S. ban on the importation of assault weapons since 1989. Under current regulatory interpretations, rifles like the WASR-10 are imported into the U.S by companies like Century International Arms, where they undergo a "reconfiguration" that increases their lethality and popularity in gun stores like X Caliber in Phoenix, Arizona.

The GunRunners investigative project tracks the entire distribution chain - in this case from the Romanian factory, where these weapons are born, to the streets of Culiacan, Sinaloa and Cuernavaca, Morelos, where these weapons wreak havoc and, ultimately, death (see map) - in an effort to understand the interconnected nature of the gun business and how limited oversight and enforcement by government agencies along the chain keeps this cycle going.
The project is an ongoing joint investigation by FRONTLINE, the Investigative Reporting Workshop, The Center for Public Integrity, InSight and the Romanian Centre for Investigative Journalism.
CPI: Romanian Weapons Modified in the U.S. Become Scourge of Mexican Drug War

Rick Schmitt and Rick Young


Reliable and powerful, and a bargain at about $500 each, the Romanian-made gun, a semiautomatic version of the iconic Kalashnikov assault weapon, had become popular with the drug cartels in Mexico.

Galloway, who eventually pleaded guilty to gun charges and became a cooperating prosecution witness in a broader case, testified that he agreed to act as the purchaser of the Romanian AKs on behalf of a co-worker's brother, who was trafficking weapons south of the border. Just for doing the paperwork, he earned $100 per rifle.

Four months later, one of the same guns that Galloway signed for surfaced in a safe house used by the Beltran Leyva drug cartel in northwest Mexico. The discovery followed a deadly shootout between federal agents and drug dealers in Culiacán, the capital of the Pacific state of Sinaloa. Eight police officers were killed.

In the grim accounting of death and violence from Mexico's drug wars, the episode might be written off as a footnote. After all, almost 35,000 people have been killed in violence in the four years since President Felipe Calderón began deploying troops and federal police throughout Mexico to ratchet up the fight against the cartels.

Read the full story at the Center for Public Integrity:
http://www.publicintegrity.org/2011/02/03/2158/romanian-weapons-modified-us-become-scourge-mexican-drug-war/
IRW: Romania, Vermont, Arizona: Guns Follow Complex Route to Mexican Cartels
Rick Young and William W. Cummings

Armed with assault rifles and hand grenades, Arturo Beltran Leyva, head of one of the most ruthless drug cartels in Mexico, battled hundreds of Mexican navy commandos with six of his bodyguards from a luxury high-rise Cuernavaca apartment in December 2009. Two hours later, Beltran Leyva and his men lay dead amid the heavy stench of gunpowder, pools of blood and puddles of water from pipes pierced by gunfire. A grenade killed one commando and wounded six others, and a passerby died from a gunshot wound.

At the time, the takedown of Beltran Leyva was heralded as the high point of Mexican President Felipe Calderon's war against the cartels and as evidence of growing U.S.-Mexico bilateral effectiveness. In a classified cable from the U.S. Embassy in Mexico City, and recently disclosed by WikiLeaks, officials hailed the military operation as "one of the greatest successes to date in the counternarcotics fight."

Not mentioned in the celebratory cable, however, was that during the weeklong chase and takedown of Beltran Leyva, Mexican authorities seized a wartime cache of weapons, grenades, scopes, silencers and nearly 9,000 rounds of ammunition. Many of the guns recovered in the operation would later be traced back to the United States. More alarming, nearly half of the 62 rifles seized were Romanian AK-47s that had come from a single gun shop, X Caliber, in the north suburbs of Phoenix.

Read the full story at the Investigative Reporting Workshop: http://investigativereportingworkshop.org/investigations-gunrunners-story-romania-mexico-arizona/
How the Beltran Leyva, Sinaloa Cartel Feud Bloodied Mexico

Steven Dudley

When war broke out between the Beltran Leyva Organization (BLO) and the Sinaloa Cartel in 2008, it was the bloody culmination of the unraveling of the Federation, the most powerful mega-cartel yet seen in Mexico. The split traumitized Mexico not just in terms of the staggering body count, but because once the four Beltran-Leyva brothers turned their backs on Joaquin Guzman Loera, alias 'El Chapo,' a series of revelations made clear just how deeply the drug-traffickers had corrupted the state.

The war between Guzman and the Beltran-Leyvas ultimately proved more damaging for the BLO, which has seen its leadership decimated since 2009. Instead of being left isolated and vulnerable, Guzman was able to overcome the BLO split and maintain the Sinaloa Cartel's status the most wide-reaching criminal group in the hemisphere.

The bond between the Beltran Leyva brothers and Joaquin Guzman stretched back to the 1980s. Alfredo, Arturo, Carlos and Hector grew up poor in the countryside not far from Guzman and broke into the business the same way: first as small-time poppy producers, then as hitmen and distributors for larger organizations such as the Guadalajara Cartel. Alfredo Beltran Leyva, the youngest of the four brothers, had a relationship with Guzman's cousin. And when Guzman was jailed in 1993, the brothers brought him suitcases of cash and later helped him escape in 2001.

The Beltran Leyvas were also present in 2002, when Guzman brought together 25 of the largest drug trafficking factions to create the Federation – a bond forged by their mutual interest in trafficking drugs north and driving out the Gulf Cartel to the east. And they were present when the Federation first began to crack after disputes with the Juarez Cartel arose in 2004.

But even as cracks emerged, Alfredo, Arturo, and Hector, who authorities called the “Tres Caballeros” or “Three Gentleman,” in security briefs, remained at the core of the Sinaloa Cartel's drug trafficking and corruption networks. At one point, authorities estimated they were operating in eight Mexican states where they used clandestine airstrips and their contacts in the security forces to move multi-ton cocaine shipments to the United States through mostly the Sonora state along the border with Arizona.

The Beltran Leyva brothers were also at the center of the Sinaloa Cartel's security operations. In the early 2000s, they recruited a young, ex-football player from Laredo named Edgar Valdez Villareal. Nicknamed 'La Barbie,' for his blond hair and classic United States' look, Valdez was a brutal and effective killer. His first task was to take Nuevo Laredo from the Gulf Cartel and their vaunted armed wing, the Zetas. Valdez
failed but his reputation was cemented as he matched the Zetas' barbarous acts with several of his own.

With Valdez at the top, the Beltran Leyva Organization (BLO) created an armed wing it called the 'Pelones.' Soon, other paramilitary groups were formed, including the 'Gueros,' the 'Numeros,' the 'Negros,' and Arturo Beltran Leyva's own unit known aptly as Arturo's Special Forces ('Fuerzas Especiales de Arturo' - FEDO). This last group was so brash they wore bulletproof vests, remarkably similar to the security forces, with the 'FEDO' insignia on the back.

But fissures emerged in 2007, when rumors swirled of a BLO - Zetas alliance. The Zetas had begun to break from the Gulf Cartel's grip. And despite the historical tensions between these groups, the Zetas' control of the eastern seaboard would compliment the BLO's control of much of the western coastline.

There were also rumors that Guzman and his low-key counterparts were not pleased with the Beltran Leyva brothers' high profiles. The brothers, mostly Arturo and Alfredo, were often seen (and pictured) with their top security man, Valdez, in glamorous parties with soap actresses and famous singers. At the heart of the problem was Alfredo Beltran Leyva, alias 'El Mochomo.' Married to Guzman's cousin, 'The Fireant' lived a loud and flashy lifestyle, which may have caused tension between him and the quieter, more business oriented Guzman.

Tensions boiled over after the army surprised Alfredo on January 21, 2008, in Culican, arresting him and several of his cohorts. After his arrest, rumors instantly began to circulate that Guzman had handed this "liability" over to the security forces. Arturo, alias 'El Jefe de Jefes,' was reportedly furious and sought a meeting with Guzman. But after authorities released Guzman's son, Ivan Archivaldo, from jail on a technicality, Arturo's worst (possibly paranoid) fears were confirmed: Guzman had provided the information leading to the arrest of his younger brother Alfredo to rid himself of a "problem" and regain the freedom of his son.

Arturo took it upon himself to avenge his brother. His targets were twofold: the supporters of Guzman Loera and his longtime ally Ismael Zambada Garcia, alias 'El Mayo'; and the corrupt security officials who were on the cartel's payroll. These included top members of the government's National Investigative Agency (Agencia Federal de Investigación - AFI) and the country's drug czar, Noé Ramírez Mandujano. Ramírez was jailed in 2008, and is awaiting trial for receiving $450,000 per month from the organization.

The first signs of a BLO-Sinaloa split came with a surge of violence in Culiacan, capital of Sinaloa state, including the 22-year-old son of Guzman who was killed by as many as 20 gunmen as he exited a shopping mall in Culiacan. The killings quickly spread to Mexico City, where two top police officials were killed during the first week of May, shocking the country's elite. By the end of May, Culiacan alone saw 116 murders, 24 of
them policemen. Nationwide, the country registered 493 drug-related deaths that month, 64 of them police officers, a record at the time.

The federal government deployed more than 2,000 troops to Sinaloa to confront the rising tide of violence, but the Federation was already definitively broken and there proved to be little that the government could do to stop the feuding. The BLO cemented its alliance with the Zetas, and for a time presented a serious challenge to the Sinaloa Cartel. But Guzman regained the advantage after Arturo Beltran was killed by government troops on December 16, and the BLO’s internal discipline has been spiraling out of control ever since.
How Guns are Trafficked Below the Border

Steven Dudley

On both sides of the border, Mexico’s cartels have small teams that, among other assignments, procure weapons from different sources. However, according to law enforcement officials, it’s unlikely, unnecessary and dangerous for these teams to reach into the United States to develop their own networks or have contact with straw buyers like the ones who were purchasing weapons at X Caliber Guns in Arizona. Instead, the teams simply wait in Mexico where they already have in place contacts, protection, storage facilities and transportation services.

The corridors and methods used for trafficking weapons south are much the same as for trafficking illegal narcotics north (for more information, see GunRunners Map on the right). Trucks and passenger vehicles with hidden storage containers move relatively easily south along Mexican highways and backroads, as security officials are more focused on the northbound drugs. Still, there are captures and arrests.

The Mexican government says it’s seized over 93,000 illegal weapons since Felipe Calderon became president in December 2006. Of these, they say close to 90 percent came from the United States. And the arrests often give us clues as to who forms part of the arms trafficking networks that operate outside, or on the margins, of the large criminal syndicates -- the cartels -- and provide them with weapons and munitions.

Two Patterns

On December 19, 2009, army personnel raided a safe house in Cuernavaca. They seized 41 assault rifles, 6,700 rounds of ammunition, seven silencers and an assortment of handguns, telescopes, radios and small amounts of illegal drugs.

Startled by the raid, a neighbor called her son, Emilio Guzmán Montejo, a police commander with the municipality’s special banking unit. When he arrived on the scene, authorities were waiting. He was arrested and charged with having a cache of unregistered weapons.

The Guzmán Montejo case illustrated two apparent patterns in the arms trafficking business in Mexico: the involvement of active or retired law enforcement and the use, possibly, of family members to serve as couriers and keepers of the weapons.

Three months after his arrest, Guzmán Montejo was set free for lack of evidence. It’s not a surprise, for there’s a dearth of investigation into this kind of case. U.S. and Mexican authorities say police and military personnel are often central to arms trafficking, and this may partly explain authorities’ reluctance to investigate, or even talk much about it.

Another example: An alleged trafficker in the X Caliber case, Fidel Hernandez, told investigators at the Bureau of Alcohol, Tobacco, Firearms and Explosives [ATF] that he was "selling the guns to people who were 'cops' in Mexico." According to ATF’s report,
"At this location, approximately one mile inside Mexico, Hernandez would meet with the Mexican police officers, who were in uniform. Hernandez said the officers would pay him for the guns, which he had inside the bags." (See more on this case here.)

As with the Guzmán Montejo case, family also were part of the story: Hernandez said that in one of his trips to Mexico, a cousin introduced him to several Mexican police officers.

"During this time," the ATF report reads, "These subjects asked Hernandez if he would be able to get guns in the United States and bring them down to Mexico. Hernandez indicated he told them he would be able to get the guns, and from this point on, Hernandez began to sell firearms to these individuals."

Shortly thereafter, Hernandez told investigators, he sold a .50 caliber rifle he bought from X Caliber for $9,500 to those same Mexican police, scoring a $500 profit from the sale.

Mexican military personnel have also been tied to weapons trafficking. In one case, chronicled by the Mexican investigative weekly Proceso, an army major sold weapons to the Beltran Leyva Organization and the criminal group the Zetas, much of it decommissioned weaponry.

The Recycling of Weapons

It's hard to know how much seized weaponry is recycled back into the criminal enterprises through corrupt military and police because the numbers don't add up. U.S. officials say Mexico asks them to trace less than 25 percent of the weapons decommissioned, which the ATF says totals more than 70,000 weapons. This total, however, does not correspond with the number of weapons the Mexicans say they have decommissioned, which they estimate to be 93,000 since the beginning of the Calderón administration.

A former Mexican prosecutor, a U.S. law enforcement officer and an international investigator all say Mexican security forces intentionally don't keep an accurate count. That's because the sector of the security forces involved in the weapons trade wants to resell seized ammunition and weapons back to the cartels. And another sector of the security forces would be embarrassed if it got out publicly that no one knows exactly how many weapons or munitions have been decommissioned.

The Mexican army vehemently denies it is responsible for any recycling of weapons back into the criminal networks. At a tour of its decommissioned weapons' storage facility, Mexican Army General Antonio Erasto Monsivais Pinedo said the army keeps very close tabs on all the weapons it seizes (see video below). He says only ten to fifteen percent of the weapons decommissioned were recycled back into use by the security forces. A small percentage, he added, went to museums and the rest were destroyed. To prove his point, the general showed two reporters how they destroyed them.
Local law enforcement -- in particular municipal and state police -- also seize many weapons. Their accounting, according to U.S. and Mexican intelligence services, may not be as rigorous as the army’s. One U.S. agent tracking weapons in the region said many of these seizures are never reported and simply filter back into the criminal networks or are sold on the black market.

**Other Players in Arms Trafficking Inside Mexico**

There are also smaller, independent criminal groups that specialize in moving weapons. At one point they operated independent of the drug cartels, selling arms to everyone, as was noted in an April 2009 report by the Mexican Attorney General’s Office. "Drug trafficking organizations do not control the weapons' black market," the report said. "Their distribution network contact people who purchase weapons for them, and these people necessarily have contacts with the organization."

Things are different today. Mexican authorities told investigators in this project that the cartels are forcing the independent criminal groups to choose sides and work for them, or else.

Finally, every group involved in the arms trafficking business, whether drug cartels, security forces or small criminal organizations, tend to rope in family -- people they trust.

On May 10, 2008, Mexican authorities raided a safe-house in Culiacán, Sinaloa. After a short gun battle, authorities arrested four men, including Alfonso Gutierrez Loera, the cousin of the head of the Sinaloa Cartel, Joaquín Guzmán Loera, alias ‘El Chapo.’ Inside the house they found one .50 caliber rifle, one grenade launcher, three grenades, eight bullet-proof vests, more than 3,500 rounds of ammunition, one H&K G-3 rifle, and 12 AK-47s. Gutierrez Loera was later sentenced to 21 years in jail.
The Takedown of the 'Boss of Bosses'

Steven Dudley and Rick Young

United States and Mexican authorities were on the heels of Arturo Beltran Leyva, alias 'El Jefe de Jefes' (The Boss of Bosses), for nearly ten months before they finally surrounded and killed him and several of his bodyguards in a massive four-hour shootout in one of Beltran Leyva's safe houses in Cuernavaca on 16 December 2009.

The hunt unveiled a plethora of information about how deeply the drug kingpin had penetrated the Mexican security forces, as well as additional clues about where the cartels have been getting their guns.

Beltran Leyva's demise can be traced back to a violent break between Mexico's largest drug trafficking organizations, including that of Beltran Leyva, who ran the so-called Beltran Leyva Organization [BLO], and his longtime partner, Joaquin Guzman Loera, alias 'El Chapo' (Shorty), who heads up the Sinaloa Cartel. The two men split in early 2008, after Beltran Leyva's younger brother, Alfredo, was arrested as he and his entourage drove through Culiacan, Sinaloa.

At the time of his arrest, Alfredo was carrying a Colt .38 Super that had been purchased from X Caliber Guns in Phoenix, Arizona, just three months earlier, according to government authorities. To be sure, one U.S. law enforcement source believes that weapons trafficked from this one U.S. gun store accounted for nearly half of the Beltran Leyva Organization's supplies at any one time.

The Beltran Leyvas blamed Guzman for their brother's arrest and the war was on. The fighting eventually spread to several more Mexican states, and, as operatives from both sides took cover, they became vulnerable, communicating and shifting from place to place more often.

Arrests soon followed, including that of 'Maria Fernanda,' the name authorities gave to a Beltran Leyva operative and protected witness who, according to a report in El Universal newspaper, told authorities where safehouses were located and the modus operandi of the criminal syndicates. Her information led to the arrests of nearly 50 Beltran Leyva operatives, including numerous police and hitmen on the Beltran Leyva payroll.

By December 2009, not even Beltran Leyva's closest confidants wanted his company, and for good reason. On 11 December, authorities raided a Christmas party in Cuernavaca, but Beltran Leyva and his brother, Hector, escaped. The Mexican authorities recovered 16 Romanian-made, AK-47-style assault rifles, known as WASR-10s, at the scene. Ten of the guns were originally bought at X Caliber.
In the days following, the United States intelligence agencies discovered Arturo was hiding at an upscale apartment building in Cuernavaca. The U.S. notified the Mexican government, and on Dec. 16, in an operation that included secretly evacuating all the residents in the multi-story residential building, Mexican Marines, with the army backing them up, moved in, leaving Arturo and four of his bodyguards dead.

Information gleaned from the scene led authorities to a Cuernavaca weapons safe house two days later where they seized 41 assault rifles, 4 handguns, 6,722 rounds of ammunition, 233 magazines, 7 silencers, 2 telescopes, one bullet-proof pickup, a laptop, 18 radios, a GPS and some illegal drugs.

Eighteen of the assault rifles were later traced back to X Caliber.