

Political corruption and drug trafficking in Mexico

Impunity for High-Level Officials Spurs Lawlessness and Growth of Drug Cartels

**Opening statement before
the Senate Committee on Foreign Relations
at its hearing on
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Andrew A. Reding

**Director, Americas Project
and Senior Fellow for Hemispheric Affairs,
World Policy Institute**

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Mr. Chairman and Members of the Committee:

When Ernesto Zedillo Ponce de León became president of Mexico, he seemed to be preparing for all-out war with the country’s fast-growing drug cartels and their associates in the ruling Institutional Revolutionary Party (PRI). Apparently unable to trust anyone in his own party, he appointed a leader of the opposition to be Attorney General. He reopened inquiries into the assassinations of two prominent politicians and a cardinal, replaced the entire Supreme Court, and installed a federal police chief committed to a purge of regional commanders on the payroll of the cartels.

In February Zedillo seemed to up the ante, with high-profile arrests of alleged assassins. First came the arrest of Othón Cortés Vásquez, whom prosecutors described as the second gunman in the March 1994 assassination of PRI presidential candidate Luis Donaldo Colosio.¹ A week later, federal police imprisoned Raúl Salinas, brother of former president Carlos Salinas de Gortari, for masterminding the September 1994 assassination of congressional majority leader-elect José Francisco Ruiz Massieu.

But the arrests struck only symbolic targets. Raúl Salinas has no political base other than that of his discredited brother. Othón Cortés Vásquez is a PRI driver and police informer.² Neither had the political clout to mount a broad conspiracy. And in the case of Cortés Vásquez the physical evidence points to a different man, against whom no charges have been filed.

Investigators seem to be deliberately avoiding leads that indicate a web of collusion among high-ranking government officials and kingpins of the country's booming drug cartels. That complicity underlies the string of recent assassinations and cover-ups that have helped destabilize Mexican politics, and with it, the economy.

Despite the gravity of the threat, Special Prosecutor Pablo Chapa Bezanilla, like his many predecessors, remains hamstrung by an unwritten rule that forbids indictment of present and former presidents and members of the cabinet. That rule, only skirted by the arrest of the president's brother, makes corrupt officials—and the mob associates they protect—virtually untouchable.

Take the Arellano Félix brothers, kingpins of the top drug trafficking syndicate in Baja California. The Tijuana cartel is one of three powerful border cartels that manage the multibillion-dollar business of transshipping cocaine from Colombia's Cali cartel, and heroin from southeast Asia and Pakistan, into the United States.³ At one end of the border, in Matamoros, the Gulf cartel dominates the eastern delivery routes into Texas. The Juárez-based Chihuahua cartel, run by Amado Carillo Fuentes, dominates the central border. At the other end, strategically straddling the busiest of all border crossings, the Tijuana cartel dominates Pacific delivery routes. To defend this coveted turf from rivals, the Arellanos have hired what amounts to a private army, ranging from federal and state police to members of San Diego gangs.

In May 1993, a hit squad gunned down Cardinal Juan Jesús Posadas Ocampo at the international airport in Guadalajara. Warrants were issued for the arrest of two of the Arellano brothers—Benjamín and Javier—who were said to have personally led the hit men.⁴ Though authorities claim the assailants mistook the cardinal for a rival kingpin, the facts suggest otherwise. The gunmen first opened the car door, then riddled the cardinal—who was wearing a prominent pectoral cross—with automatic weapons fire from a distance of less than a yard.⁵ Though the motive for the killing remains unclear, Posadas had previously been bishop of Tijuana, the Arellanos' home base.

From the outset, it was obvious the Arellanos had well-placed allies. Federal judicial police covered their escape into the terminal. Flashing police credentials, the assassins boarded Aeroméxico flight 110 to Tijuana, whose departure had been delayed more than twenty minutes for their arrival.⁶ Hours later, more than enough time for Mexico City to respond, they deplaned in Tijuana without police interference. More than two years later, the government has yet to arrest either of the brothers involved in the murder, even though, as reported by the San Diego *Union-Tribune*, they “have been sighted at Tijuana restaurants, accompanied by bodyguards, who included police officers.”⁷

Last year, Mexicans were stunned by the disclosure that Benjamín—the family ringleader—had met with papal nuncio Gerónimo Prigione at his official residence in Mexico City. The meeting was arranged by the Arellanos' parish priest. At one point, Prigione even interrupted the meeting to confer with President Salinas, who did nothing

to apprehend the fugitive.⁸ Such deferential treatment contrasts with the government's bold venture into Guatemalan territory to apprehend Joaquín (El Chapo) Guzmán, the Arellano adversary it claims was the assassination target; an arrest that in effect turned the government into an enforcer for the Arellanos.⁹

Shortly after the cardinal's assassination, the Los Angeles Times reported that officials believe the Arellanos "answer to a silent boss who is more worldly than they are and who has his own bankers and legitimate businesses." The anonymous sources "declined to reveal the identity of the reputed leader."¹⁰ Such shyness is unusual for Mexican officials, except when referring to other, more powerful, officials, especially the president or members of the cabinet.

But one ex-official in a position to know is now stating publicly what others have long whispered. As special assistant to former attorney general Jorge Carpizo, Eduardo Valle coordinated an anti-narcotics task force directed against the Gulf cartel. He believes the Arellanos are being protected by Carlos Hank González, the billionaire businessman who served as secretary of tourism and later secretary of agriculture under former president Carlos Salinas. In an interview, Valle described Hank as *il capo di tutti capi*, the "primary intermediary between the multinational drug trafficking enterprises and the Mexican political system."

Though there is no conclusive proof of such a link, the web of circumstantial evidence is strong. Jorge Hank Rhon, the younger of Carlos' two sons and business associates, owns the Agua Caliente racetrack in Tijuana, considered to be a major money-laundering center for the Tijuana cartel. In 1988, an editor and columnist for the Tijuana weekly newspaper *Zeta* who began probing Jorge Hank's business dealings was ambushed and shot to death by racetrack security guards. Despite obvious leads to Jorge Hank, the investigation was quickly abandoned. Through an emissary, Carlos Hank offered the current editor of *Zeta* an all-expenses-paid move to Europe, in return for dropping efforts to have his son indicted. The editor refused.¹¹

Now there is a possible link to the assassination of Cardinal Posadas. Two Aeromexico flight attendants have placed Jorge Hank among the first-class passengers seated beside the Arellanos during their escape to Tijuana.¹² The Hanks have also been tied to cocaine trafficking. Earlier this year, the *New York Times* reported that Colombian drug traffickers had begun flying cocaine into Mexico by the ton on commercial jetliners converted into high-speed cargo planes. One of these, a Boeing 727, landed at an airfield run by Taesa, a domestic passenger airline founded by the Hanks, that U.S. agents have long suspected of being used for drug smuggling.¹³

According to Porfirio Muñoz Ledo, a former president of the ruling Institutional Revolutionary Party (PRI) who quit the party in 1987 and now heads the opposition Party of the Democratic Revolution, Hank was one of several former officials considered for indictment in President Miguel de la Madrid's (1982-1988) Moral Renovation campaign against official corruption.¹⁴ But de la Madrid ruled out any action, Muñoz Ledo said, because he feared *un magnicidio*—a presidential assassination. Carlos Hank was merely banished from government service for the duration of the de la Madrid presidency.¹⁵

It was Salinas, lionized by Washington and Wall Street as a reformer, who rehabilitated Hank by naming him to the Cabinet. Nor was this an isolated case of coddling corruption.

Salinas' first secretary of the navy, Admiral Mauricio Schleske, was forced to resign—though never prosecuted—following disclosures that sailors at the Matamoros naval base had been smuggling drugs into Texas, and that he had failed to disclose, as required by law, ownership of two \$350,000 condominiums in Houston, one of which he had tried to hide by selling for \$10 to a British Virgin Islands shell company.¹⁶

Salinas chose Javier Coello Trejo as his first drug czar. Nicknamed the “iron prosecutor,” Coello's lawless and indiscriminate methods, which won him the admiration of U.S. officials, who saw him as tough on crime, entailed torturing and murdering innocent citizens. As a result, he was criticized by the Mexican government's own human rights commission. Rather than investigate the charges, Salinas reassigned Coello. (All the while, Coello was allegedly on the drug lords' payroll. Last year, a relative of Juan García Abrego, head of the Gulf Cartel, testified in a Texas courtroom that Abrego paid Coello more than \$1 million in kind for protection.¹⁷)

Salinas also appointed Enrique Alvarez del Castillo, the former governor of Jalisco, as attorney general; Alvarez was rumored to have ties to the Guadalajara cartel. While governor, he never enforced warrants for the arrest of kingpin Miguel Angel Félix Gallardo, who made no effort to hide.¹⁸ Two witnesses also accused Alvarez of taking part in the decision to murder DEA agent Enrique Camarena in 1985.¹⁹ All told, these were powerful signals that corrupt but otherwise loyal officials would enjoy complete impunity during the Salinas administration.

That had two fateful consequences. One was to vastly expand the power and influence of corrupt officials. The other was to increase their anxiety as Salinas' term drew to a close. Would Salinas' successor play by the same rules, or at least honor the unwritten rule that bars prosecution of former cabinet members? Or would he have the guts to pursue the effort at reform abandoned by President de la Madrid?

Luis Donaldo Colosio, Salinas' designated heir, made them worry. Though chosen for his unwavering loyalty as president of the ruling PRI and later as social welfare secretary, Colosio broke important precedents during his campaign. Unlike previous PRI presidential candidates, Colosio refused to be seen with corrupt former governors.²⁰ He also declined to meet with the brother of Juan García Abrego, kingpin of the Gulf cartel.²¹ Nothing could have been more unsettling to the narcopoliticians and their cronies. If Colosio wouldn't even associate with them during the campaign, how would he treat them in office?

On March 23, 1994, only three months into the campaign, Colosio was shot dead at the end of a rally in Tijuana. For almost a year, the government insisted the assassination was the work of a deranged loner, Mario Aburto, who conveniently confessed to the crime. Were it not for the police chief of Tijuana, an appointee of the opposition National Action Party (PAN) that now governs Baja California, that is where the case might have rested. But Federico Benítez was a rarity in Baja politics: a fiercely independent academic whose strong—some would say naïve—convictions about the rule of law rendered him impregnable to bribery and intimidation.

Defying PRI operatives who counseled him to let them handle security for the rally, Benítez had posted his men nearby. After the shooting, as PRI security whisked off Aburto, municipal police arrested another man leaving the scene with blood splattered on

his clothing. That man—Jorge Antonio Sánchez—tested positive for powder burns.²² The autopsy would subsequently show that Colosio had been shot twice, with bullets entering opposite sides of his body. Since videos confirm that Colosio did not turn after the first shot, there had to have been a second gunman.

According to the weekly news magazine *Proceso*, Sánchez turned out to be an agent of the Center of Investigations and National Security (CISEN), Mexico's counterpart to the CIA.²³ Though he claimed to have been far from Colosio during the shooting, videotapes place him nearby. Despite the blood, powder burns, and videotapes, federal authorities freed Sánchez after he was delivered to them by municipal police. By all indications, an innocent man—who was detained without a warrant, then tortured—is being held in lieu of Sánchez, in order to avoid having to follow the trail of evidence to the CISEN in Mexico City, whose operations are overseen by the office of the presidency.²⁴

Several weeks after the assassination of Colosio, Tijuana police chief Benítez was himself assassinated, in a meticulously-planned ambush on a Tijuana street. In the days before his death, Benítez had been investigating Colosio's PRI security team. He discovered that the team leader, José Rodolfo Rivapalacio, was a former state police commander who had been accused of torture by the federal government's human rights commission. His own daughter described him as "a very violent man" who beat his wife and children, and who San Diego police suspect of hiring a hit man in a botched attempt to murder his estranged wife in the United States. Following these revelations, Benítez' files on Rivapalacio vanished from police headquarters. Days later, on April 28, 1994, assailants armed with assault rifles gunned down Benítez and a bodyguard.²⁵

Like Sánchez, Rivapalacio remains at liberty, as state and federal officials offer another improbable solution to this case. A state judge issued warrants for the arrest of two federal police commanders, said to have acted on orders from drug traffickers frustrated by their inability to bribe Benítez.²⁶ But Benítez had been in office for two years. Why was he slain just as he focused his attention on potentially explosive gaps in the official assassination inquiry? Why would drug traffickers wait so long unless they were themselves involved in the Colosio assassination? Or are the latest arrests another smokescreen to divert attention from Sánchez and Rivapalacio, either of whom could force the investigation up the political ladder to Mexico City?

It was the assassination of Colosio that drove former drug enforcement task force chief Eduardo Valle to go public last summer with what he knew about links between high government officials and the drug cartels. From the relative safety of Washington, Valle made a series of explosive revelations involving Marcela Bodenstedt, a former federal police officer in the employ of Juan García Abrego, head of the Gulf cartel. Valle was able to document a meeting between Bodenstedt and Emilio Gamboa, who as secretary of transportation (he now directs the national lottery) was in charge of the nation's airfields, an area of special interest to the mob. Bodenstedt, moreover, had been having an affair with José Cordoba Montoya, President Salinas' alter ego, who coordinated the Cabinet and drug and intelligence agencies (including the CISEN).²⁷ And Bodenstedt's husband, a reputed money launderer, had investments in Cancún linked to those of Jorge Hank, son of the secretary of agriculture, according to Valle. Though he could not prove it, Valle was convinced the Colosio assassination was the product of a conspiracy between

Cabinet members and their mob associates, and that unless their power was challenged head-on, they would strike again.

On September 28, 1994, assassins indeed struck again, this time murdering José Francisco Ruiz Massieu, majority leader-elect of the Chamber of Deputies, in downtown Mexico City. This time the links to corrupt politicians were obvious from the outset. After the assassin's Uzi jammed, he was easily subdued, and confessed to having been hired by an aide to Manuel Muñoz Rocha, a PRI congressman and chairman of the committee on water resources of the Chamber of Deputies.

Three things stand out about Muñoz Rocha. One is that he is from Tamaulipas, the eastern border state that is headquarters to the Gulf cartel. The second is that he chaired a congressional committee closely associated in name and function with the ministry of agriculture and water resources, then headed by Carlos Hank. The third is that, after briefly taking refuge in the home of Raúl Salinas, the president's brother, he vanished without a trace.²⁸

Raúl Salinas now stands accused of masterminding the assassination. According to *Newsweek*, the elder Salinas also had long-standing ties with Juan García Abrego, head of the Gulf Cartel. That would explain why García seemed untouchable throughout the Salinas administration. Eduardo Valle, who headed the anti-drug task force targetted on the Gulf Cartel, says he could have arrested García had the office of the presidency not denied requests for military assistance.²⁹

In the hunt for a motive for the assassination, investigators have uncovered a dispute between Raúl Salinas and José Francisco Ruiz Massieu that may again involve the Hanks. While governor of the state of Guerrero, Ruiz Massieu had interfered with Raúl Salinas' efforts to obtain government contracts for a construction company and a corn flour company, both of which have ties to the Hank family.³⁰ A motive for the killing thus arises. If Ruiz Massieu had proven such a thorn for Hank interests in Guerrero, what would he do as majority leader of the Chamber of Deputies?

There is a further wrinkle. Though the deceased's brother, Mario Ruiz Massieu, apparently hid the trail of evidence leading to Raúl Salinas, he did try to pursue what he said were trails leading into the cabinet.³¹ In late November, he resigned, complaining his efforts had been blocked by his own boss, Attorney General Humberto Benítez Treviño, and by PRI president Ignacio Pichardo Pagazo.³² Both are protégés of Carlos Hank.³³

Any investigation of the assassinations that does not pursue the trails of evidence leading to top officials of the Salinas administration, such as Carlos Hank and José Cordoba, will only scapegoat expendable hirelings of crooked politicians and drug lords. That would further contribute to the power and prestige of Mexico's narcopoliticians, confirming their untouchability even after crimes that jeopardize the nation's political stability and economic solvency. In a further warning to would-be reformers, Zedillo's new federal police chief, Juan Pablo de Tavira, was poisoned in his sleep—apparently by his chief bodyguard—hours before he was to meet with Attorney General Lozano to plan a purge of police commanders linked to the cartels. De Tavira is now among the living dead, paralyzed and unable to utter a word.³⁴

In a country where the exercise of power has always commanded more respect than the rule of law, President Zedillo's only chance to gain the upper hand is to strike an exemplary blow at the leadership of the country's narco-political complex. That can only be done by breaking the taboo on indicting present and former presidents and members of the cabinet. No law, no special task forces, no number of helicopters and chase planes can compare to the impact one strategic indictment would have, as every cabinet officer, general, and police commander would suddenly be made to understand that impunity will no longer be tolerated.

This is not just a Mexican problem but an American one as well. Integration of the continent's economies, formalized by the North American Free Trade Agreement, is increasingly binding our fates. A populous, unstable Mexico corrupted by narcodollars threatens to subvert prospects for regional economic expansion, overwhelm U.S. capacity to absorb immigrants, add to budget deficits with expensive bailouts, and, as demonstrated by the harm inflicted on the dollar by the plunge of the peso, undermine our global stature and standard of living. Economic integration mandates a common political currency: democratic accountability and the rule of law.

¹ "Second Gunman Cited In Colosio Assassination," *Washington Post*, 25 February 1995, A23.

² "Conspiracy possible in candidate's killing: Mexican's bodyguards detained; political rivals scrutinized," *Miami Herald*, 27 February 1995.

³ "Drug Lords' Influence Pervading Mexico; Neighbor, Last Line of Defense for U.S., Now Likened to Colombia," *Washington Post*, 4 April 1995, A1.

⁴ Photograph of "reward" poster issued by Mexican attorney general's office, *Proceso* 866 (7 June 1993), 12.

⁵ "Los asesinos forcejearon con el cardenal y su chofer antes de acribillarlos," *Proceso* 865 (31 May 1993), 6, 7, 11, 13.

⁶ "Caso Posadas: Ante las versiones oficiales, indignación, dudas, incredulidad," *Proceso* 866 (7 June 1993), 7-10.

⁷ Corruption in Mexico: Officials must continue to fight drug cartels," *San Diego Union-Tribune*, Editorial, 8 March 1994, B6; see also "Mexico's Cartels Sow Seeds of Corruption, Destruction," *Los Angeles Times*, 16 June 1995; and (citing *New York Times* March 1995) "Acusado de un cúmulo de actividades ilegales, ahora pocos se le acercan a Jorge, el otrora 'muchacho rico y simpática' de Tijuana," *Proceso* 969 (29 May 1995), 17; and "Rise of drug cartels is feared in Mexico," *Boston Globe*, 19 March 1995, 1. (The government has seized some of the Arellanos' estates and imprisoned an older brother who did not take part in the assassination.)

⁸ "Prigione, los Arellano, el Gobierno y 'Excélsior': los cuatro resortes del escándalo," *Proceso* 926 (1 August 1994), 31-33.

⁹ "Nuevo clamor: La captura del Chapo no aclara dónde están los Arellano y quiénes mataron al cardenal," *Proceso* 867 (14 June 1993), 6-9; "Más dudas, ahora sobre la versión oficial del arresto de Guzmán Loera," *Ibid.* 6-7.

¹⁰ "Barons of a Bloody Turf War," *Los Angeles Times*, 4 June 1993, 1.

¹¹ "Según Blancornelas, lo han intentado gobernar," *Proceso* 830 (26 September 1992), 23.

¹² “Un Hank Rhon iba en el vuelo 110 de Guadalajara a Tijuana, inmediatamente después del asesinato de Posadas,” *Proceso* 969 (29 May 1995), 13; “Mexico’s Cartels Sow Seeds of Corruption, Destruction,” *Los Angeles Times*, 16 June 1995.

¹³ “Tons of Cocaine Reaching Mexico in Old Jets,” *New York Times*, 10 January 1995, A1.

¹⁴ “Hank quiere ser el ‘padrino’: Muñoz Ledo,” *Proceso* 912 (25 April 1994), 15.

¹⁵ “Hank y sus 42 años en la vida pública: la política como negocio, la adulación como instrumento,” *Proceso* 941 (14 November 1994), 23.

¹⁶ “Actividades de narcos de las que Schleske debió estar enterado: Operaciones en su jurisdicción desde 1985,” *Proceso* 716 (23 July 1990), 8-11; “Inexplicablemente rico, Schleske omitió declarar sus residencias en Houston,” *Proceso* 719 (13 August 1990), 8-13.

¹⁷ “Del expediente de un juicio en Texas: Como subprocurador, Coello Trejo recibió ‘más de un millón de dólares’ de García Abrego,” *Proceso* 934 (26 September 1994), 12, 14-15.

¹⁸ “Alvarez del Castillo, sospechoso de proteger al narco, desde 1983,” *Proceso* 840 (7 December 1992), 9-17.

¹⁹ “Testimony Links Mexican Officials to Agent’s Death,” *Los Angeles Times*, 9 December 1992, A1; “Courts: Former bodyguard says ranking Mexican officials were at the house where U.S. agent was killed,” *Los Angeles Times*, 10 December 1992, B1.

²⁰ “Cambios con Zedillo . . . el regreso de ‘dinosaurios,’” *Proceso* 910 (11 April 1994), 13.

²¹ “Alerté a Colosio y comenzó a dar pasos para librarse de los narcopolíticos, pero se le adelantaron,” Eduardo Valle,” *Proceso* 928 (15 August 1994), 18.

²² “Surgen nuevas dudas con la identificación de Sánchez Ortega junto a Tranquilino y Aburto,” *Proceso* 914 (9 May 1994), 28-29; “En documentos judiciales, evidencias que podrían incriminar al agente Sánchez Ortega en el atentado contra Colosio,” *Proceso* 915 (16 May 1994), 30-31.

²³ “Coincidencias de los presuntos cómplices: todos policías, tres con antecedentes delictivos,” *Proceso* 909 (4 April 1994), 35.

²⁴ Federal agents arrested Cortés without a warrant, then tortured him. “Han pasado 12 meses, más de 11,000 fojas y 27 tomos... El presunto ‘coautor material,’ Othón Cortés Vasquéz, nunca había sido mencionado,” *Proceso* 959 (20 March 1995), 35; “Efectos de ‘torturas’ contra Othón Cortés Vasquéz le impiden concluir una diligencia,” *Proceso* 966 (8 May 1995), 38.

²⁵ “New Murder in Mexico Deepens Assassination Mystery,” *Washington Post*, 1 May 1994, A1.

²⁶ “Mexico Police Chief’s Killing Is Connected to Corrupt Officers,” *New York Times*, 8 April 1995, 1.

²⁷ “Exlocutora de Televisa, exagente federal, contacto de jefes narcos, confidente de José Córdoba... Marcela Bodenstedt y sus misterios,” *Proceso* 968 (22 May 1995), 6-13; “Mexicans Edgy After Wiretap Scandal,” *Austin American-Statesman*, 18 June 1995, 7A.

²⁸ “Mexico: The Spreading Scandal,” *Time*, 13 March 1995, 50; “Mexican Arrest Jars Long Tradition,” *Washington Post*, 2 March 1995, A24.

²⁹ “Tracking Two Amigos: Did a cocaine kingpin have a piece of President Salinas’ brother?” *Newsweek*, 12 June 1995, 37-38.

³⁰ “Mexican Charged With Coverup In Assassination of His Brother,” *New York Times*, 7 March 1995, A4.

³¹ “Mexican Charged With Coverup In Assassination of His Brother,” *New York Times*, 7 March 1995, A1.

³² “‘Hay políticos metidos en el narcotráfico y políticos que son narcotraficantes...Tengo documentos confidenciales’: Mario Ruiz Massieu,” *Proceso* 943 (28 November 1994), 18-25.

³³ “Arrinconados por Ruiz Massieu, los dirigentes del PRI acuden a su argumento habitual: la fuerza de la mayoría,” *Proceso* 942 (21 November 1994), 22; “En posiciones clave, en el gobierno y en el partido, los hombres del profesor,” *Proceso* 937 (17 October 1994), 20.

³⁴ “Las siete horas que acabaron con el director de la Judicial Federal: Envenenado con gas, Juan Pablo de Tavira agoniza; el jefe de su escolta, principal sospechoso,” *Proceso* 954 (13 February 1995), 28-33.