



Justice in Mexico News Monitor

July 2012

This Month's Highlights

- *Human costs of violence remain a concern despite reduction in cartel-related violence*
- *U.S. Senate questions efficacy of Mexican reliance on armed forces in drug war*
- *Global bank HSBC under fire for allowing Mexican cartels to launder money, fined \$27.5 million*
- *Mass-arrest of minors detained provokes calls for human rights investigation*
- *Aguascalientes: SSPE presents report on state's public security*

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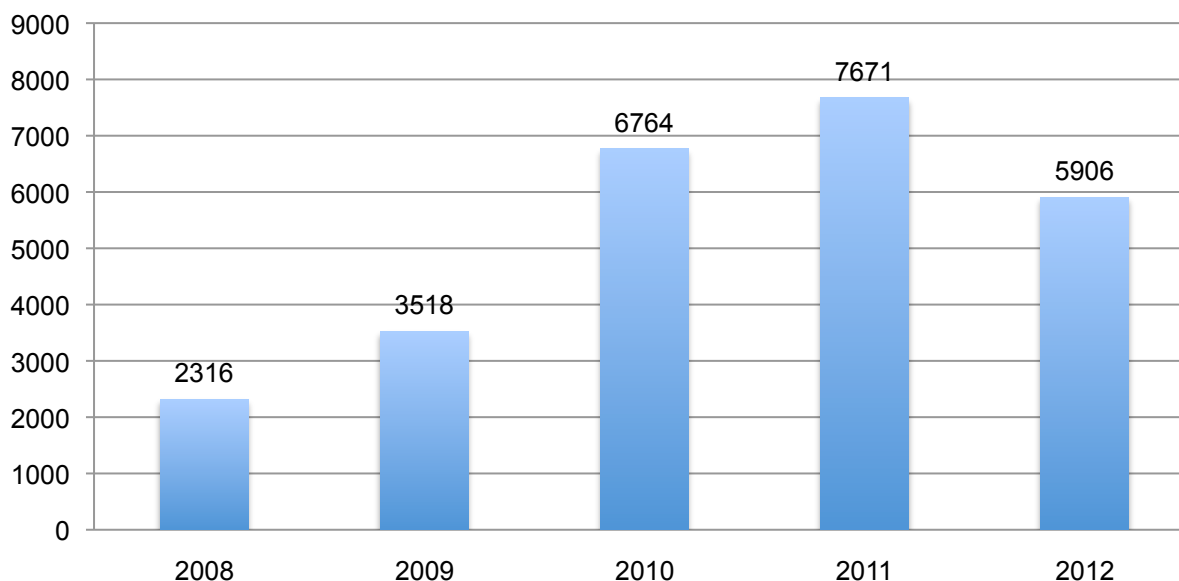
SECURITY

CARTEL-RELATED VIOLENCE

Human costs of violence remain a concern despite reduction in cartel-related violence

As of July 27, there were 5,906 *ejecuciones*, or cartel-related killings nationwide in Mexico, according to a running tally of such killings by *Grupo Reforma*. As has been the case since the second half of 2011, Nuevo León is the most violent state in Mexico, with 818 *ejecuciones*. Chihuahua follows with 762, the Pacific state of Sinaloa is next with 690 *ejecuciones*, and Guerrero and Coahuila follow with 526 and 435, respectively. Nationwide, there has been a 23% decline in cartel-related killings in 2012 as compared with the same period last year, largely due to a drastic reduction (36.5%) in Chihuahua, and a lesser but still substantial decline (23%) in Nuevo León.

These decreases have been somewhat offset by an uptick in the border state of Coahuila (435 through 30 weeks in 2012, as compared with 286 during the same time period in 2011), but the five most violent states thus far for 2012 with the exception of Coahuila have seen substantial declines in cartel-related killings, including Guerrero and Sinaloa, down 44% and 17%, respectively. Taken together, the five most violent states from 2011 as of the end of July last year has seen just over a 33% decline in 2012. Of these, Durango, which had recorded 729 *ejecuciones* at the end of July 2011, has seen its number cut nearly in half, to 374 as of July 27 of this year. Despite an increase in violence this year in Coahuila, the border-states continue to represent a smaller share of overall *ejecuciones* than in past years. Thus far in 2012, these six states share 40% of nationwide cartel-related killings, compared with nearly 43% in 2011, and nearly 46% in 2010.

Nationwide *ejecuciones* through first 30 weeks of each year

Source: Grupo Reforma

Regardless of the relative decline in cartel-related violence in Nuevo León, the state's Health Ministry (Secretaría de Salud) revealed earlier this month that human costs of the violence continue to be a significant public health concern. According to the agency, it has provided mental health treatment to more than 4,000 people affected by violence in Nuevo León over the past three years. Jesús Zacarías Villarreal Pérez, head of the Health Ministry, said that of those treated, 680 are children, 1,200 are women, and the rest are men. Villarreal said that the quantity of people in need of mental health services

has prompted the training of personnel to handle crisis situations. This has included a multidisciplinary degree in crisis intervention (Diplomado sobre Intervención en Crisis) offered through a number of institutions including the Autonomous University of Nuevo León (Universidad Autónoma de Nuevo León), which in 2012 has trained 78 specialists who have treated 237 people. These revelations reaffirm what others have reported regarding the effects of elevated levels of violence on the mental health of the population, particularly more vulnerable sectors. In January, the psychology department at the Children's Hospital of Ciudad Juárez (Hospital Infantil de Ciudad Juárez) released a study that found that 80% of the children entering the hospital have expressed fear and anxiety due to witnessing acts of violence, particularly murders and shootouts. Leila Ruiz Escalona, head of the psychology department, said that posttraumatic stress in children is often misdiagnosed as generalized anxiety, stomach aches, or simply dismissed as misbehavior.

While the public health sector in cities like Juárez and Monterrey is beginning to understand and treat the long-term effects of violence, Torreón, in the border state of Coahuila, now appears to be Mexico's most violent city, having seen a meteoric rise in violent crime over the past three years. As of the second week in July, the city had reported a total of 419 homicides, with 59 coming in the first nine days of this month. This elevated violence comes despite the efforts of Operativo Laguna Segura, a federal operation to reduce the impact of organized crime in the border region between Coahuila and Durango, where Torreón lies. The operation was re-enforced in May, but unlike similar operations in Guerrero and Veracruz, it has not coincided with a reduction in violence, at least in Torreón. The city has seen a rapid escalation in violence in recent years, having registered just 33 homicides in 2006, the year that President Calderón took office and immediately in December put into play his public security strategy, with a focus on employing the armed forces in dismantling Mexico's drug cartels. By 2008, homicides had risen to 90, and jumped to 160 in 2009 within the Torreón, when the violence became much more visible, with killings carried out in plain view. The count more than doubled in 2010 to 362 homicides, and again to 741 in 2011, the year that witnessed the first of two mass killings at drug treatment centers. With 22 weeks remaining in 2012, it appears that Torreón could once again see an increase in homicides. It must be noted here that these numbers do not correspond with *ejecuciones*, which organizations such as *Reforma* distinguish based on several factors, such as the use of high-caliber weapons for the sole use of the military. However, it can be safely assumed that the increase in violence in Torreón is largely due to a rise of organized crime activity, given the rapid increase over the past several years, and the federal government's attention to the region as part of its national security strategy.

Meanwhile, it does not appear that the election of Enrique Peña Nieto of the Institutional Revolutionary Party (Partido Revolucionario Institucional, PRI) will bring with it a significant change in public security strategy from that of President Calderón. In an interview with CNN after winning Mexico's presidential election with 38% of the votes, Peña Nieto said, "What we are looking for is to adjust what has been done until this moment; it's not a radical change, but expanding coverage and above all the emphasis that I aspire to is the reduction of violence in our country."

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PUBLIC SECURITY STRATEGY

Governor of Sinaloa requests heavy arms to combat cartels

This month, Governor Mario López Valdez of Sinaloa presented the head of the Secretary of National Defense (Secretaría de Defensa Nacional, Sedena), Guillermo Galván Galván, with a surprising proposal on behalf of the state's police forces: the return of heavy arms confiscated from drug cartels to the state for use by the police in their law enforcement duties. According to Sedena, weapons confiscated by the armed forces are housed in a bunker at a military installation and eventually destroyed. Given the uphill

battle his state's police forces often face when fighting cartels—who are able to draw on international arms traffickers and deep profits to purchase high caliber weapons, giving them a disproportionate advantage over public security officials—Governor López is hoping to more evenly match their firepower by being given access to these weapons. He argued, “The arms [criminals] carry and their armored cars make it so they always win, and if we have indeed found the drive to confront the criminals today, then the possibility of equipping our forces and putting them on an even level should be valued.”

In 2011 alone, Sedena seized 32,501 firearms of varying calibers. By comparison, in the same year it purchased 1,024 firearms and 290,000 rounds of ammunition at a cost of €10,079,110 (euros) and \$626,250 (USD). Many of the guns confiscated originated in the United States, and the states where the most firearms were seized are Baja California, Chihuahua, Coahuila, the Federal District, Michoacán, and Tamaulipas.



Governor López requested that Sedena turn over high-powered weapons confiscated from cartels.
Photo: Vanguardia

According to *El Universal*, Governor López's request to Sedena for weapons, including AK-47s and Barrett anti-aircraft guns, was specifically prompted by a cartel attack on a police convoy in early July in which seven policemen were killed. It also came on the heels of his previous request and approval of a high number of weapons for state police forces, some of which were delivered on July 11. This was the second delivery of weapons for Sinaloa forces purchased by the Subsidy for Public Security in the Municipalities fund (Subsidio para la Seguridad Pública de los Municipios, Subsemun) that, between the two shipments, cost six million pesos (almost \$440,000 USD) and included 677 rifles, 426 Glock pistols, 1,837 magazines, and over a million different caliber cartridges. The governor is additionally pushing for the acquisition of a helicopter for Sinaloa's police, citing the significant advantage that would be gained from air support. He emphasized that his police officers would be required to comply with and fulfill all trainings required to use high-powered weapons and machines, if the measure is approved. Sedena has not yet answered the governor's request.

This is not the first time Governor López has made headlines for his efforts to assert the rule of law in Sinaloa and develop his public security strategy. Earlier in his term, he restructured police forces into small, elite 'special forces' units to better strike against mobile cartels, which *El Universal* reports have been highly effective. In a just over six-month span in 2011, aggravated murders numbered around 1,256; yet during the same time frame in 2012, the number of such reported crimes fell to 802.

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AFI dissolves with Federal Ministerial Police in its place

The Federal Investigation Agency (Agencia Federal de Investigación, AFI) officially disbanded on Thursday, July 26, with the Federal Ministerial Police (Policía Federal Ministerial, PFM) assuming operations in its place. The formal transition of both agents and responsibilities to the PFM occurred by a decree passed on April 26 of this year that further institutionalized the reform, which had originally been approved in 2009. The new police agency is housed under the Attorney General's Office (Procuraduría General de la República, PGR) and is similar to the U.S. Marshals Service. The five main tasks that the PFM is charged with are ensuring compliance of judicial orders; protecting witnesses, collaborators, and victims; conducting special security tasks; monitoring the Federal Center of Arraigo (Centro Federal de

Arraigo); and locating foreign fugitives through the Interpol office in Mexico, which now depends on the PFM. The director of this new federal body, Vidal Díaz-Leal Ochoa—who allegedly has close ties with Secretary of Public Security Genaro García Luna—was removed from his position as the former General Director of Operations Monitoring for the Federal Police (Policía Federal, PF) in 2007 following an incident that left 23 dead in Cananea, Sonora.

Under the regulation of the PGR, the new institution will have more powers than the AFI, including an increase in their involvement in the investigation and tracking of federal crimes. The PFM will operate as an independent body, and therefore have greater internal oversight, including that of hiring and retention of its agents. It will also change its operating model for police officers to participate more efficiently in the new criminal justice system, which is set to be in place nationwide by 2016. For his part, Director Díaz-Leal Ochoa announced that his agency plans to increase its strength and size from the current 4,195 agents involved to 7,000.

As an entirely separate body from that of the former agency, none of the members of the PFM are allowed to use the AFI's logo and name. The PFM's new uniforms, which were presented the day before the agency went operational, consist of a navy blue shirt, khaki pants and boots, and detailed insignia with the agent's initials embroidered to prevent against imposter uniforms. Such sharp and coordinated outfits help to professionalize the police force, which has been an issue among Mexican police, particularly, at the local level. Díaz-Leal Ochoa did clarify that his agents often will dress in civilian attire given the investigative nature of their role; however, uniforms will be used in operations and searches, and by personnel assigned to surveillance of facilities and staff protection.

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U.S. Senate questions efficacy of Mexican reliance on armed forces in drug war



Soldiers search a man at a routine checkpoint in Ciudad Juárez.
Photo: USA Today

The U.S. Senate Committee on Foreign Relations created a stir this month when it released a report criticizing the use of the Mexican military in the fight against drug cartels. The Committee credited the administration of President Calderón for making progress against organized crime over the past five and a half years, but suggested that utilizing the military in a law enforcement role has escalated the level of violence within the country and increased the collateral damage suffered by civilians. The report was prompted by a desire to reevaluate the U.S.-Mexico security relationship in light of the recent Mexican presidential election in which Enrique Peña Nieto of the Institutional Revolutionary Party (Partido Revolucionario Institucional, PRI) prevailed, and to determine if the

United States should continue aid through the Mérida Initiative—a program through which the U.S. government has already allocated over \$1.9 billion (USD) to largely fund and strengthen Mexican security and judicial systems since the bi-national agreement was reached in 2008.

It is not yet clear how much or at all a Peña Nieto presidency will differ from Felipe Calderón's in public security strategy, particularly in the way of confronting Mexico's powerful drug cartels, which have now extended their reach well into Central America. For his part, Peña Nieto has said his approach to public safety and combating such high levels of drug-related violence will be to shift the focus off capturing or killing kingpins, and instead target "certain kinds of crime, mainly kidnapping, homicide, and

extortion.” He also plans to continue deploying the military to particularly violent states that are in need of extra support and security.

Despite its criticisms, the Committee on Foreign Relations nevertheless determined that an additional \$1 billion (USD) should be allocated through the Initiative to “accelerate the establishment of an accusatorial judicial system at the federal and state levels, a process mandated by the Mexican Congress to be completed by 2016 at the federal and state levels and to assist, in close coordination with Mexican federal authorities, those Mexican states seeking to reform their state police forces.” The additional resources are designed to improve the public perception of the Mexican judicial system and government’s ability to maintain rule of law overall.

As expected, the report’s release criticizing Calderón’s militarized security strategy was not well received in Mexico. The Calderón administration, via the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores, SRE), repudiated the report, stating that it was neither helpful nor conducive to arriving at a solution to the overall problem of transnational crime to issue such statements. The response also emphasized the Mexican government’s belief that the United States does not fully recognize its role in Mexico’s security situation, specifically referencing the U.S.’s weak efforts to control arms trafficking across its southern border, which only fuels the violence in Mexico. In addition, the Mexican response chastised the Committee on Foreign Relations for circumventing the traditional diplomatic processes by offering a public report.

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TRANS-BORDER CRIME

U.S. Drug Enforcement Agency dismantles Sinaloa cartel cell in Arizona

A joint operation between the Drug Enforcement Agency (DEA) and the Tempe Police Department called “Operation Nayarit Stampede” ended the first week in July with a massive drug seizure across three Arizona cities—Phoenix, Tempe, and Tucson. Operation Nayarit Stampede dismantled a cross-border cell of the Sinaloa Cartel, believed to be a main trafficker of narcotics across the Arizona corridor. The Sinaloa Cartel is one of the most powerful Mexican drug trafficking organizations in Mexico, and is led by Joaquín “El Chapo” Guzmán, Mexico’s most wanted criminal who ranks as number 41 on *Forbes’* “World’s Most Powerful People” list.

The DEA began investigations six months prior when information was received regarding the possible location of “drop houses” used to store trafficked goods when in transit from Mexico to their distribution states, which include Alabama, California, the Carolinas, and New York. The organization also allegedly received shipments directly from South and Central American suppliers. 15 search warrants were issued following the joint investigations, leading to over 20 arrests and the seizure of 14 firearms, \$2.4 million in cash, three tons of marijuana, 30 pounds of methamphetamine, ten vehicles, and a Cessna 421 airplane used for cross-border smuggling. Among those arrested in the sting were Norberto Meza Montoya, Leonel Gálvez Leon, and José Alonso Rodríguez, the cell’s alleged ringleaders.

Sinaloa is structured as a cell network in order to keep arrests such as these from creating a domino effect within the organization, which also makes tracing the drugs back to suppliers on the Mexican side of the border difficult. According to Ramona Sanchez, a DEA spokesperson, “There is no communication between the drug runners in Mexico and the domestic ones here. It makes it extremely difficult for authorities to connect the drug activity here to Mexico and South America.” The cell structure functions not only as a hedge against extra-organizational threats presented by the DEA or Mexico’s federal police and military, but also provides the cartel with a resistance to inter-organizational power struggles. Sinaloa rests strongly under the control of its leadership because it is more difficult for power-hungry cartel

members to garner support throughout the different cells in order to splinter from the Sinaloa cartel at large.

Though the likelihood of continuing the trail of arrests into Sinaloa territory is slim for this reason, the DEA expects the investigation to continue domestically in the United States. As *Ahwatukee Foothills News* of Arizona reports, "the specific number of homes where the drugs were being stored was not available as the investigation is ongoing and more arrests are expected."

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Four tunnels discovered in one-week span on U.S.-Mexico border

Authorities on both sides of the U.S.-Mexico border were kept busy this month as they discovered four tunnels in the span of one week—two in Arizona and Sonora, two in California and Tijuana—presumably used for drug trafficking. Although investigations into the tunnels are ongoing, reports suggest that they most likely belong to the Mexico-based Sinaloa Cartel given its expanding control in the northwest border region of Mexico. Indeed, earlier this month a Sinaloa cell operating in Arizona was dismantled, and over 20 individuals arrested for connections to the organization. The Sinaloa Cartel is also suspected given the sophisticated passageways and quantities of drugs seized during the discovery, which suggest the work of a powerful drug trafficking organization.



Pictured here is the tunnel found on the outskirts of Yuma in the border town of San Luis, Arizona, on July 6. Photo: DEA

According to reports, the first of four tunnels was found on Saturday, July 6, and connected San Luis Rio Colorado, Sonora in Mexico with San Luis, Arizona, the latter city located just over 20 miles southwest of Yuma. This was the only tunnel discovered that was fully operational and thus the most important of this month's findings. The tunnel—which extended 755 feet, stood six-feet high, and dropped 30-feet underground—was equipped with lights, fans, and a ventilation system, and its walls lined with plywood and reinforced with wooden beams. Officials described the massive passageway as an engineering challenge, and noted the significant amount of time and money needed for its construction. The Drug Enforcement Agency's (DEA) special agent in charge of the Phoenix division, Doug Coleman, estimated the cost to build the tunnel at around \$1.5 to \$2 million (USD), and noted that it likely took over a year to finish. He said that its sophisticated design would require "someone with some engineering expertise to put something together like this," and added that it is one of the most impressive tunnels they have ever found. Coleman also noted the extensive methods used by the tunnel's operators to mask the passageways, referencing that a water tank in a storage room covered the U.S. entrance, a tank that had to be removed with a forklift. In addition, two U.S. Postal Service vans found at the U.S. location led investigators to believe cartel members used them to disguise some of their drug shipments as mailed packages.

The discovery of the tunnel, which was concealed in an old strip mall on the U.S. side and opened up into an ice plant in Mexico, came after authorities were tipped off to its location by a man arrested during a traffic stop who was transporting 39 pounds of methamphetamine on the highway connecting Yuma and San Luis. Authorities estimate the wholesale value of the methamphetamine seized to be nearly \$700,000 (USD) and with a street value of five times as much. Three people were arrested in connection with the San Luis tunnel, one being a U.S. citizen.

Following the discovery of the San Luis tunnel, authorities in Mexico located a passageway over 150 feet long in Tijuana on July 11, which began under a bathroom sink inside a warehouse falsely advertised as a recycling plant. The tunnel was incomplete and had not yet crossed under the border into San Diego, though it appeared to be destined for the Otay Mesa area. The next day, the Mexican military found another tunnel originating from a warehouse in Tijuana, this one equipped with a railcar system. More than 40 tons of marijuana was discovered at the tunnel's entry and the passage extended nearly 400 yards—more than 100 yards of which penetrated U.S. territory—although an exit into the United States had not yet been built. Authorities noted the importance of this marijuana seizure, pointing out that it is the biggest discovery in recent years—at least since the 2010 bust that led Mexican officials to a record-breaking 134 tons of marijuana, and even surpassing the more recent December 2011 incident when 32 tons of the drug were seized by U.S. agents inside a San Diego warehouse a few blocks north of the U.S.-Mexico border.

Authorities found the fourth and final tunnel on July 13, in Nogales, Mexico, which borders Nogales, Arizona, during an inspection of a storm drain system. According to U.S. Immigration and Customs Enforcement spokeswoman Amber Cargile, the passageway was only in the beginning stages of construction and had not yet reached into U.S. territory.

The discovery of such tunnels is growing in the U.S.-Mexico border region. Since the 1990s, a total of 156 tunnels have been found, nearly half of those in the past four years alone. Cartels have shifted to using the passageways to smuggle drugs including marijuana, methamphetamine, and heroin, as tightened border security measures have made traditional smuggling methods more difficult.

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Zetas likely behind theft of petroleum equipment in Texas; high-ranking lieutenant captured

Los Zetas, arguably the most brutal of organized crime groups in Mexico, has made headlines lately given its likely involvement behind the scenes in the theft of oil machinery in Texas, as well as the capture of one of its high ranking lieutenants. U.S. police reported that each year Mexican cartels exchange narcotics for millions of dollars worth of stolen equipment used to drill and transport oil in southwest Texas—specifically in the Permian Basin—and then in turn use the stolen goods in Mexico to steal gas from PEMEX pipelines. According to Mexico's Attorney General's Office (Procuraduría General de la República, PGR), PEMEX has reported losses up to \$450 million (USD) a year to stolen oil. Midland County Sheriff Ed Krevit, speaking on the thefts in Texas, noted that organized crime groups use these "sales from stolen petroleum to then buy arms and other equipment necessary to continue the spread of violence along the border."



El Amarillo is presented after his arrest. Photo: La Jornada

While authorities have not indicated which cartels are linked to the thefts, the Zetas are a likely suspect given they operate primarily in Mexico's northeast border region that borders Texas. In addition, an operation of this magnitude that yields such high profits is probably the work of a well-established organization as opposed to small street gangs. Most importantly, however, allegations of the Zetas stealing petroleum are not new and seems to be a somewhat recurring problem. The Justice in Mexico Project has reported on this in the past, even dating back to 2009 when news broke of the Zetas—then still

operating as a branch of the Gulf Cartel—working in conjunction with high-ranking PEMEX officials to steal oil.

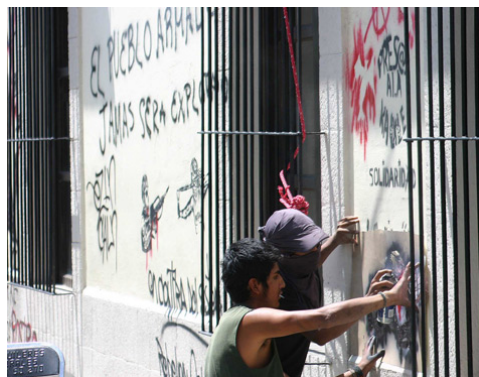
The day before Texas police announced the theft of petroleum equipment, Mexican authorities presented the captured Zetas lieutenant, Mauricio Guizar Cárdenas, “El Amarillo,” who was the group’s regional leader in southeast Mexico. Members of the Mexican Navy (Secretaría de Marina, SEMAR) arrested Guizar in Puebla as part of a takedown that also led to the seizure of a rocket launcher, 20 grenades, a machine gun, a pistol, and crystal meth. El Amarillo allegedly worked directly for Zetas’ leader Oscár Omar Treviño Morales, “Z-42,” who leads the organized crime group alongside brother Miguel Ángel Treviño Morales, “Z-40.” U.S. officials arrested Oscár and Miguel’s other brother, José, last month as they brought down an extensive money-laundering scheme that involved the Zetas funneling organized crime proceeds through a horse racing operation in Oklahoma. U.S. authorities filed charges in connection to the scheme against 15 individuals, including all three Treviño Morales brothers. U.S. District Judge Sam Sparks announced on July 25 that a trial has been scheduled for José and seven others in connection for October 22 in Austin, Texas, while the remaining seven suspects are at large.

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SCHOOL SAFETY

Escuela Segura program to continue expanding



The Escuela Segura program targets crime against schools, like acts of vandalism seen here, as well as higher risk crimes. Photo: Vanguardia

According to authorities, a federal program in Mexico intended to better protect schools is expanding nationwide. The Escuela Segura (Safe School) program is a joint operation between the Public Education Ministry (Secretaría de Educación Pública, SEP) and the Public Security Ministry (Secretaría de Seguridad Pública, SSP) that seeks to provide heightened protection to both public and private schools to ultimately keep schools safe from the high levels of violence and crime that Mexico faces.

While Escuela Segura has been largely focused thus far in Nuevo León, the federal government is growing its scope and reach. According to José Aguirre Vázquez, the program’s national coordinator, by the start of the 2012-2013 school year, all schools nationwide will receive a formal manual on Escuela Segura to be used to instruct teachers and staff on how to better safeguard their schools and classrooms, and how to act when a danger presents itself. The SEP is already circulating an electronic version of the handbook. The expansion will also

include courses and trainings so that, as Vázquez notes, school staff and administration “will know how to stay calm, and give clear and precise instructions, so that they guarantee the safety of the students, and widely coordinate with the students’ families.”

While schools are threatened by acts of theft, extortion, vandalism, etc., Vázquez seems to be more specifically referencing the fact that schools in Mexico are occasionally victims of cartel-related violence—being caught in the middle of violent shootouts between rival gangs and/or public security forces, which jeopardize the safety of students, teachers, and staff. Despite Escuela Segura’s success in Nuevo León in decreasing crimes like vandalism and theft—which were reported down by as much as 50% in some areas, and hence the government’s decision to continue the program through the summer months—the

SEP reported that over 20 such shootouts nevertheless affected schools in Nuevo León and neighboring Tamaulipas this past academic year. States like these with higher levels of violence will continue being the program's priority, said Vázquez, citing that 90% of the 47,000 school buildings currently participating in the program are located in just 358 municipalities nationwide. The program's expansion, however, seeks to at least provide all schools in Mexico with the program's basic training materials.

The implementation of Escuela Segura largely rests on the Secretary of Public Security (SSP), and state and local police forces. However, SSP Director Arturo Bermúdez Zurita emphasized that just as essential is the participation from the citizens who live and work in the school's neighborhoods, underscoring how important it is for them to report any suspicious activity to authorities.

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TRANSPARENCY & ACCOUNTABILITY

INTERNATIONAL MONEY LAUNDERING

Global bank HSBC under fire for allowing Mexican cartels to launder money, fined \$27.5 million

According to a 335-page U.S. Senate report released on July 16, Mexican drug cartels used the international bank HSBC to launder money through the United States. The report, titled *U.S. Vulnerabilities to Money Laundering, Drugs, and Terrorist Financing: HSBC Case History* and released by the Senate Permanent Subcommittee on Investigations, claims that the bank was also used by Saudi Arabian banks with terrorist ties and by Iranians seeking to avoid U.S. sanctions.

While the report does not allege that the bank knowingly allowed the flow of illicit funds, it faults HSBC as well as regulators in the Office of the Comptroller of the Currency (OCC) for lax controls that allowed the bank's Mexican affiliate, HBMX, to move cartel proceeds through its U.S. counterpart, HBUS, between 2002 and 2009. During 2007 and 2008 alone, HBMX transferred \$7 billion to HBUS, making it the largest exporter of U.S. dollars to HBUS. Treasury Undersecretary for Terrorism and Financial Intelligence David S. Cohen told the Senate subcommittee that through electronic money transfers and remote deposits drug trafficking organizations were able to finance the purchase of aircraft for use in their operations. The U.S. Treasury Department itself also came under fire from the Senate subcommittee for its lack of oversight in the matter of possible money laundering through U.S. banks. In addition to the Senate investigation, the U.S. Justice Department said that a criminal investigation is underway into HSBC's operations.



Photo: Reuters

During the Senate hearings, the bank drew particularly harsh criticism from Subcommittee President Carl Levin, who said that HSBC's lax controls were a "recipe for trouble." Following the release of the report, HSBC's chief compliance officer, David Bagley, announced that he would resign from his position, though he plans to remain at the bank. Irene Dorner, HSBC president and chief executive, apologized to the Senate subcommittee, "for the fact that HSBC did not live up to the expectations of our regulators, our customers, our employees, and the general public." She said that changes are underway to improve the culture of transparency and accountability at the bank. This includes the closing of around 20,000 accounts in the Cayman Islands, which are managed by employees in Mexico. The operation does not have a physical presence in the Islands in the form of offices or employees, and the existence of the Islands' operation was never made known to HSBC's central operations. Nevertheless, the subcommittee

report found that HSBC did know of particularly lax anti-money laundering standards at HBMX, and that Mexican authorities had warned the Mexican subsidiary at least twice of the likelihood of cartel money flowing through its accounts. While HSBC was the only bank under investigation, senators in the subcommittee made it clear that this report should serve as a caution to other international banks.

The Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, CNBV) sent its own message when it handed down a \$27.5 million (USD) fine to HSBC on July 25, which the *Associated Press* reports the bank has already paid. The fine accounts for nearly half of the Mexican subsidiary's yearly profits from 2011. Any U.S. investigation and resulting sanctions will be leveled separately from that of the CNBV.

HSBC is not the first international bank to be implicated in money-laundering schemes by Mexican drug cartels. Last year, Wachovia bank was similarly accused of a lack of anti-money-laundering measures that allowed over \$378 billion (USD) to be wire-transferred from Mexican "casas de cambio," or currency exchange operations beginning in 2004. A 22-month investigation by the U.S. Drug Enforcement Agency, and the Internal Revenue Service, among other agencies, also revealed that the Sinaloa Cartel funneled around \$13 billion of the relatively unchecked through Wachovia for purchase of aircraft to be used in transporting narcotics. Wachovia was subsequently fined \$50 million and forced to forfeit \$110 million, penalties totaling just 2% of the bank's 2009 profits. Wachovia was acquired by Wells Fargo bank in the midst of the 2008 global financial crisis, the latter which was also a recipient of U.S. taxpayer bailout funds. Last month, a horse breeding business in Arizona was dismantled after it was revealed that the Zetas' second-in-command had used Bank of America accounts to funnel money into the business. U.S. prosecutors have not indicated any intent to bring charges against Bank of America.

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CORRUPTION

Social Security Administration officials allegedly took bribes from U.S. company

Mexico's social security administration (Instituto Mexicano del Seguro Social, IMSS) filed a criminal report with the Attorney General's Office (Procuraduría General de la República, PGR) and with the government accountability office (Secretaría de Función Pública, SFP), after it was revealed that IMSS employees allegedly accepted bribes from a U.S. company over the span of eight years. The report was filed with the intention that the PGR and the SFP would investigate the matter, and identify any offending IMSS employees.

The report followed the admission by U.S. medical device company Orthofix in a Texas district court that its Mexican subsidiary, Promeca SA de CV, paid bribes to IMSS employees to secure contracts with government hospitals. According to the U.S. Securities and Exchange Commission (SEC), Orthofix has agreed to pay \$5.2 million (USD) to settle the charges against the company. The bribes reportedly helped the company secure \$5 million in illegal profits between 2003 and 2010. Promeca is said to have documented the bribes as cash advances, falsifying invoices to cover the amounts spent, and later claimed them as promotional and training expenditures. Upon hearing of the bribes from a Promeca executive, Orthofix is said to have immediately reported the matter to U.S. authorities, and fired the executives responsible.

IMSS employees are alleged to have received a total of \$317 thousand in bribes from Promeca between 2003 and 2010. In a statement, the agency characterized its criminal report to the PGR and the SFP as part of a larger effort during the current administration to increase transparency and combat corruption. In

a press release, the agency emphasized the online *Portal de Compras* (<http://compras.imss.gob.mx/>), from which the citizenry can access information regarding contracts awarded by the IMSS. Nevertheless, the agency continues to garner criticism for abuses in carrying out its duties. In February of this year, Mexico's National Human Rights Commission (Comisión Nacional de los Derechos Humanos, CNDH) identified the IMSS as being the foremost violator of human rights among government agencies, accounting for 2,882 complaints in 2011. It was also revealed in January of this year that the agency could save as much as 36% of its expenditures on medications if it were to use its powers to prevent collusion among providers holding IMSS contracts. The report, released by the Organization for Cooperation and Economic Development (Organización para la Cooperación y el Desarrollo Económico, OCDE), claimed that the IMSS has a weak regulatory framework, which allows for providers to circumvent anti-collusion regulations with relatively minor consequences.

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Mexico receives four UN public service awards for 2012; two for anti-corruption measures

The United Nations Organization handed Mexican President Felipe Calderón four awards for public service for 2012, including two awards for measures taken at the federal level to reduce government corruption. He also received awards for improving public services through its Opportunities program, and for providing mothers with access to employment.



President Calderón accepts the UN public service awards. Photo: Presidencia de la República Mexicana

In the area of preventing and combating corruption in public administration, Mexico was awarded first place for its public works auditor program (Nueva Estructura y Orientación de la Auditoría de la Obra Pública), and second place for its public contracts oversight system (Sistema Nacional de Contrataciones Públicas), both of which are overseen by the federal government oversight body (Secretaría de la Función Pública, SFP). The first program put preventative measures in place to avoid abuses in public works projects, including fiscal oversight and regular inspections. The second seeks to prevent illicit acts in government expenditures, as well as streamlining government spending to promote

efficiency and economic development. At an appearance at Los Pinos alongside SFP Director Rafael Morgan Ríos, Calderón acknowledged the role of public servants in Mexico in designing and implementing the programs recognized by the UN. He also noted that much work remains to be done in reducing official corruption, which "continues to be a problem clearly perceived by citizens as one of the principal problems of the country."

In the area of improving public services, Mexico was awarded second place for making banking services accessible to marginalized sectors of the population. The program receiving recognition, *Bancarización de beneficiarios de Oportunidades a través de tiendas Diconsa*, which is offered through the National Savings Bank (Banco del Ahorro Nacional), has sought to procure bank accounts for the poorest sectors of the Mexican population through which to make their social security payments, thus giving them access to the credit market. In the category of promotion with a focus on gender, Mexico was awarded second place for its program to support working mothers. The program, *Programa de Estancias Infantiles*, has opened more than 10,000 daycare facilities, benefitting more than a million children, and giving mothers the opportunity to access the labor market.

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Arrests, investigations follow last month's AICM shootings

The fallout in the three weeks following the June 25 shootout between Federal Police officers that left three agents dead in a crowded food court in the Mexico City International Airport (Aeropuerto Internacional de la Ciudad de México, AICM) has been exceptional, with widespread firings and an extensive investigation into the airport's entire security staff. The incident, which ignited when two Federal Police agents opened fire on fellow officers after they realized that they were under investigation for ties to drug trafficking organizations, underscored the AICM's role as the main transport hub for drugs in Mexico's capital city. The shootings followed an 18-month federal investigation into local and federal officials believed to be part of a cocaine trafficking ring operating in the AICM that trafficked narcotics from Lima, Peru.

Following the June 25 incident, at least 300 Federal Police agents assigned to guarding the airport were replaced, including Commander José Antonio Dighero Medina, who was relieved by José Armando Ramón Hernández. The agents replaced of their AICM duties are serving administrative roles while being investigated by the Public Security Ministry (Secretaría de Seguridad Pública, SSP) and the Attorney General's office (Procuraduría General de la República, PGR) for organized crime investigations (Subprocuraduría de Investigación Especializada en Delincuencia Organizada, SIEDO). According to sources in SIEDO, the roughly 300 Federal Police agents under investigation were moved to administrative positions inside the agency so that they can be found at any time, and to reduce the risk of fleeing. Their condition has been described as a sort of "administrative arrest."

Meanwhile, the immediate supervisor of the two officers implicated in the shootings was arrested on July 16, after a citizen reported his whereabouts to police in order to collect a five million peso reward offered for information leading to the arrest. Police detained Bogard Felipe Lugo de León at a Mexico City rent-by-the-day apartment building, where he had reportedly hid for 20 days, leaving only at night to purchase food. The two Federal Police officers believed to be responsible for the AICM killings, Daniel Cruz García and Zeferino Morales Franco, remain fugitives.

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Formal charges brought against ex-CFE chief; fined and banned from public service

On July 24, Mexico's government accountability authority (Secretaría de la Función Pública, SFP) ruled to fine former head of the Federal Electricity Commission (Comisión Federal de Electricidad, CFE) Néstor Moreno Díaz, as well as to ban him from government service. The penalties come more than two years after investigations began in the United States over allegations that Moreno accepted bribes from transnational power and automation technology company ABB. Moreno Díaz was handed a fine of 69,649,326 pesos (roughly \$5 million USD), and banned from public service for 17.5 years. Similar penalties were imposed on four other former officials, the harshest of which was given to Gustavo Alonso Salvador Torres from the National Center of Energy Control (Centro Nacional de Control de Energía, Cenace). Torres was banned from government service for 20 years and fined 153,878,725 pesos (roughly \$11.3 million USD) for purchasing \$1.5 million (USD) worth of information equipment that the CFE never received.

Mexico's Attorney General's Office (Procuraduría General de la República, PGR) arrested Moreno Díaz on April 8, after he was captured for the second time by Federal Police (Policía Federal, PF) at a ranch in Hermosillo, Sonora. He was accused of accepting bribes amounting to 33 million pesos (\$2,514,000

USD). Upon appearing before a federal judge, he asked for a period of six days to present evidence in his defense, but he was denied bail following a request by the PGR. On two prior occasions, Moreno Díaz had violated the terms of court-ordered injunctions (amparos) following arrests tied to the same allegations he currently faces. The PGR opened an investigation into the former CFE director in 2009, and the following year the U.S. Department of Justice revealed the existence of a far-reaching corruption ring that he was allegedly part of. According to testimony presented in federal courts in Houston and Los Angeles, the network operated in Europe, Mexico, Panama, and the United States, and involved several companies, including ABB and Sugar Land, which obtained public works contracts between 1997 and 2003 valued at more than \$100 million by means of bribes paid out to CFE officials.



Néstor Félix Moreno Díaz
Photo: Reportero del Sur

Moreno Díaz is accused of accepting a Dream Seeker yacht valued at \$1.8 million, and a Ferrari valued at \$297,000, in addition to nearly \$800,000 in other payments. On September 3, 2011, members of the Federal Police apprehended him at the Toluca International Airport as he attempted to leave the country despite a federal judge's arrest warrant issued a month earlier. Since then, he has been issued two court-ordered injunctions (amparos), in both cases violating the terms, according to the PGR. Following the cancellation of the most recent injunction, the Federal Police, in collaboration with the PGR, tracked Moreno Díaz to the Hermosillo ranch owned by a friend, where he was allegedly planning an escape to the United States.

Now, two months after his most recent arrest, a district court judge has indicted Moreno after determining at long last that the PGR had presented sufficient evidence to bring formal bribery charges. Specifically, the PGR alleges that he accepted an illicit payment of \$29,500 (USD) in 2004 from a representative of Lindsey Manufacturing Company (LMC), a transnational enterprise that contracted with the CFE. Between 2003 and 2008, LMC received \$19 million (USD) in contracts with the CFE. The PGR claims that the payment, made to Moreno's son, constituted a bribe, while in his defense Moreno has said that the payment was a loan from LMC representative Enrique Faustino Aguilar Noriega, which he paid back that same year. He identifies Aguilar as a close friend for the past three decades, and added that in 2004 he did not occupy a position in the CFE from which he could have influenced contracts. As was the case in previous court appearances, the alleged crime does not represent a felony (delito grave); nevertheless, Moreno did not request to be released on bail. He said he plans to appeal the indictment.

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CAMPAIGN FINANCE ABUSE

Amlo produces 3,500 Soriana 'vote-buying' gift cards; IFE demands data from Soriana

El Universal reported on July 6 that Mexico's presidential runner-up, Andrés Manuel López Obrador (often referred to as AMLO) of the Party of the Democratic Revolution (Partido de la Revolución Democrática, PRD), had presented 3,500 gift cards from the chain store Soriana as evidence that the winning candidate Enrique Peña Nieto's party, the Institutional Revolutionary Party (Partido Revolucionario Institucional, PRI), "bought millions of votes" in recent federal elections. PRI Campaign Manager Ricardo Monreal Ávila stated that the majority of the cards were collected in conjunction with "testimony on vote buying, which will be presented to the appropriate authorities."

Such testimony may include stories like those uncovered by *Red Política*, whose reporters interviewed one housewife named Elvira who reported receiving a 100 peso (\$8 USD) gift card the Friday before the July 1 elections from people who allegedly worked for the PRI. She then exchanged it for “a kilo of tortillas, half a kilo of sausage, a quarter kilo of turkey-ham, a few rolls, a pastry, [and] a box of cereal.”



López Obrador (center) has called the July 1 presidential elections a fraud.
Photo: Yadín Xolalpa. El Universal

Speaking in front of a wall covered with the colorful plastic cards at a press conference, López Obrador called for Mexico's Federal Electoral Institute (Instituto Federal Electoral, IFE) to take action in light of what he referred to as various complaints and evidence of dishonest operations, and the overall lack of transparency of the elections. The twice-frustrated presidential candidate maintained that, although the cards he produced had all been given out in the State of Mexico (Estado de México, Edomex), similar cards “were given out in other states, as well as cash, groceries, construction materials, and home appliances.” His organization, he elaborated, was in the process of preparing their estimate of the number of votes that the PRI illegally purchased with such supermarket gift cards.

López Obrador made these cards public after a July 5 announcement by the PRI that, in reaction to the vote buying accusations, it would file a formal complaint with the federal Attorney General's Office (Procuraduría General de la República, PGR) against López Obrador and his Progressive Movement coalition (Movimiento Progresista) for fraud and related crimes. In response, López Obrador asserted that he was acting in complete accordance with the law. “Nobody can say we are violating the law,” he explained, because “we are making use of our constitutional rights” by “defending the votes of the many citizens who voted for true change, who don't want money to rule.” López Obrador also spoke of his disappointment with the National Action Party (Partido Acción Nacional, PAN)—the party of Mexico's current president, Felipe Calderón—for not speaking out in favor of “cleansing” the election process. He reiterated his frustration as well with the IFE for not conducting a full recount of elections votes, instead re-tallying results from only 54% of polling stations.

Responding to these accusations, IFE announced that it would require Soriana, the country's second largest retail chain, which is analogous to Target and sells groceries and home goods, to release detailed information on its customer loyalty programs in order to clarify the situation. IFE is requesting personal data on all purchasers of electronic gift cards during the relevant time frame, together with the terms of purchase. For his part, Soriana's director of investor relations, Rodrigo Benet, denied any relationship between the retailer and PRI campaign, and affirmed that his company is “providing [the IFE] with all of the information they are requesting.” IFE official Benito Nacif, president of the Complaint Commission, reports that the IFE is, nevertheless, pursuing an investigation of any links between the two entities.

López Obrador's gift cards-for-votes allegations against the PRI were followed by an announcement two weeks later by the PRD party, as well as President Calderón's National Action Party, that they would file a complaint the following week with the PGR accusing the Peña Nieto campaign of possible money laundering in relation to the prepaid cards, citing “strong evidence” of illegal handling of financial resources during the campaign. The parties' respective presidents, Jesús Zambrano and Gustavo Madero, also leveled accusations against the Mexican company Monex, the financial services firm which they allege issued prepaid debit cards to buy votes for Peña Nieto. The PAN had approached electoral authorities in mid-June to request that they freeze the PRI's accounts with Monex, but the



Presidential elect Peña Nieto has continually refuted López Obrador's claims of electoral fraud and “vote buying.”

request was denied. While López Obrador's legal advisor Jaime Cardenas has suggested that the scheme could have involved funds from state governments controlled by the PRI "or from organized crime," PAN President Madero clarified that money laundering does not necessarily involve funds from criminal organizations, but rather any irregular use of public or private funds. In any case, the PAN and PRD leaders, representing a rare collaboration between the left and right poles of Mexican politics, have requested that authorities carry out their investigations before the August 31 deadline for electoral authorities to certify the July 1 elections.

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JUSTICE AND HUMAN RIGHTS

VICTIM PROTECTION

Congress and President Calderón in a standoff over passage of Victims' Law

Mexican President Felipe Calderón is blocking the passage of the new Victims' Law (Ley de Víctimas), approved by the Mexican Congress in April. Calderón has not vetoed the bill, but rather voiced objections to specific components, most recently handing it over to the Mexican Supreme Court for review. However, the Permanent Committee (Comité Permanente), which takes over legislative duties when Congress is not in session, said that the president missed the deadline for voicing such objections, and now must sign the bill into law. According to federal law signed by Calderón last August, the president has a 30-day period to review new legislation and return it to lawmakers with proposed changes or to veto it. Barring these measures, the president has an additional ten-days to sign it into law, which expired on June 19.



President Calderón

The legislation is designed to provide families of victims of organized crime with financial compensation of up to \$70,000 (USD) per claim, as well as create a national registry to keep track of human rights violations, such as kidnappings and forced disappearances. It comes within the context of human rights legislation passed in June 2011, which gave lawmakers a year to pass supplemental legislation outlining measures for compensating victims of rights abuses. The bill was approved with broad support in the legislature, and members of Calderón's National Action Party (Partido de Acción Nacional) have joined members of the Institutional Revolutionary Party (Partido Revolucionario Institucional, PRI) and the Party of the Democratic Revolution (Partido de la Revolución Democrática, PRD) in insisting that the president sign the bill into law.

Some have suggested that the president has delayed signing because it would be an implicit recognition that his strategy of hitting the country's powerful drug cartels head-on with a military-led campaign has been less than completely successful. The Calderón administration, however, says that it objects to the legislation because it places too much burden on the federal government to enforce, saying that state and local governments must share in the law's implementation. Interior Ministry Legislative Liaison Rubén Fernández added that it should be perpetrators of crimes who shoulder the financial burden, and not the federal government. The Calderón administration also cited constitutional inconsistencies in the bill that could be exploited as loopholes, though has not clarified what such inconsistencies are. There has also been speculation that Calderón waited until after the recent national elections to act on the bill, in order to avoid political fallout for his party; he sent the bill back to Congress on July 1, the day of the elections.

Opponents of Calderón in the Mexican Congress, as well as civilian activists—namely writer Javier Sicilia (right)—have characterized the president's inaction as a pocket veto, a maneuver that the president himself eliminated when he signed into law reforms to articles 71, 72, and 78 of the Mexican constitution last August. Sicilia, who became leader of the Movement for Peace with Justice and Dignity (Movimiento por la Paz con Justicia y Dignidad) after his son was kidnapped and murdered in March of last year, has rejected the Calderón administration's stance on the legislation, which he has been quite visible in promoting during its movement through Congress, now demanding that the president sign it into law as the constitution requires. Likewise, members of Congress have threatened to charge the president with contempt if he does not sign it.



Javier Sicilia (right) has pressured President Calderón (left) to pass the Victim's Law.
Photo: CNN México

Nevertheless, on July 19, the Calderón administration's judicial counsel handed the issue over to Mexico's Supreme Court for review of the law's constitutionality. The Court's recess commission for the first 2012 session, comprised of justices Sergio A. Valls Hernández and José Fernando Franco González Salas, announced on July 24 that it had accepted the case, effectively freezing the bill until the court issues a ruling on a date which has yet to be specified.

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PRESS FREEDOM

Three offices of *El Norte* attacked in northern Mexico; one to stop crime reporting



Damage to the office of *El Mañana* is seen here after it suffered attacks on July 10. Photo: razon.com.mx

The newspaper *El Norte* suffered two attacks on July 10, one in the early hours of the morning at their office in the suburb Torremolinos, Monterrey, and the second in the afternoon in Guadalupe, Nuevo León. No one was injured in either incident, but there was significant property damage at both locations. The early morning attack was confined to a single grenade lobbed into the building's garden by a lone man, according to witnesses. The attack later that afternoon escalated the level of force, involving both grenades and heavy artillery. Early reports suggested the building was fired upon with AR-15 rifles. At the end of the month, another Monterrey-based branch of *El Norte* was attacked, making the newspaper outlet the target of three instances in three weeks. Armed gunmen stormed the *Sierra Madre* offices on Sunday, set the building on fire, and fled, causing damage to the building and resulting in the injury of one employee. Both the

local police and the Mexican Army are investigating the cases, and sources close to the investigation have drawn links to organized crime as the perpetrators given the use of such high-powered weapons.

This was not the first time *El Norte* has been attacked by members of organized crime groups. In 2010 and 2011, the agency experienced similar incidents of violence against their offices. These recent attacks

are part of a larger trend of violence directed at media outlets in retaliation for reporting on organized crime activities. As the Trans-Border Institute reported last month, the high level of murders of Mexican journalists in 2012 has prompted Mexican government officials to suggest amending the Mexican constitution to establish a Commission to Protect Journalists. According to Mexico's Special Prosecutor for Attention to Crimes against Freedom of Speech (Fiscalía Especializada en Atención a Delitos contra la Libertad de Expresión), 67 journalists have been murdered and 14 disappeared since Felipe Calderón began his presidency in late 2006. Moreover, there has been a recent spike in deaths since April. Organized crime has even expanded its targeting to include citizens who report on incidents of organized crime via social media, which has become a needed resource for many citizens when traditional media sources become compromised by threats.

On July 11, the day following the first round of attacks, one of the targeted divisions of *El Norte*, *El Mañana*, publicly announced it would no longer cover drug-violence and cartel-related crime. In doing so, the paper joined a rising number of media sources in northern Mexico that have bowed to intimidation, raising serious concerns about the freedom of press. The *Diario de Yucatán* noted that *El Mañana*'s announcement is unusual, however, because of its public nature; most of the other newspapers and journalists who have adopted similar policies have done so quietly. However, in a press release, the newspaper explained, "The Editorial and Administration Board of this entity has arrived at this unfortunate decision, forced by the circumstances we are all aware of, and because of the lack of conditions protecting the freedom of press." While there has been no public acknowledgement of responsibility for Monday's strike against *El Norte*, Los Zetas and the Gulf Cartel are known to be highly active in Nuevo León. Los Zetas also maintain a strong presence in Monterrey.

The international media community responded strongly following the attacks, expressing solidarity with *El Norte* and its subsidiaries and calling for the Mexican government to utilize the new constitutional amendment that allows federal charges to be brought against those who attack journalists or media outlets. On July 11, the Inter-American Society of Press (Sociedad Interamericana de Prensa, SIP) and other media observers accused the Mexican government of succumbing to cartel pressure and failing to adequately protect vulnerable journalists.

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ABUSES OF MINORS

Seven raped in attack on youth camp in State of Mexico

A brutal attack on a group largely comprising teenagers camping outside Mexico City has provoked significant public outcry and prompted the state police to act quickly to investigate. About 90 people were camping in the Colibri ecological park—located near the town of Ixtapaluca, a suburb of Mexico City located in the State of Mexico (Estado de México, Edomex)—on July 12 when an 11-person gang stormed into the site, firing shots into the air. The attackers were armed with a variety of weapons and proceeded to assault the group, who were participating in an overnight Christian retreat. Seven females were raped in the assault, at least three of who were minors; another five people were beaten, and cash and goods, including two cars, were stolen. Although police eventually recovered the cars, the journal *Impacto* estimated the loss of cash and goods originally taken at approximately \$10,000 (USD). The group had apparently arranged for police patrols in the area during their stay, but it appears that there was not a police presence in the park during the time of the attack because the authorities did not

learn of the events until one of the adult organizers was able to reach a local police station. Calls for help were hampered by the park's hilly geographical layout, which has poor cell phone coverage.

On July 19, the Attorney General's Office of Mexico State (Procuraduría General de Justicia del Estado de México, PGJEM) announced the arrest of 17 people in connection with the attack, reportedly from the neighboring Chalco municipality. The operation was undertaken jointly between the Ministry of Citizen Safety (Secretaría de Seguridad Ciudadana, SSC) and the state police. Of the detained, there are two women and 15 men, including three policemen and one former member of the military. *El Occidental* reports that the perpetrators belonged to a local gang called "Los Cadenos" and that items belonging to the campers and reported missing were found in the homes of those arrested. The Attorney General of Edomex, Alfredo Castillo Cervantes, went on to state that six people had already confessed to the crime and that eyewitnesses had identified 11 of the people arrested. This case of swift justice is notable given that Amnesty International recently reported that Edomex has one of the worst human rights records in the country, and that on average police are able to solve just one out of 21 reported rapes in the region. The 17 suspects have made a court appearance, facing charges of robbery, criminal association, drug possession, arms possession, and rape, in some cases.

The municipality of Ixtapaluca is a disputed territory by cartel La Familia Michoacana and its own splinter group, Los Caballeros Templares, according to state police sources. However, in general it is unaffiliated criminal gangs who prey on campers. There have been scattered attacks on campers in the park by small-scale criminal groups in the recent months.

In related news, disappearances of adolescent girls in the Edomex have escalated in recent years. Thus far in 2012, 252 women have gone missing in the state, averaging 1.2 per day. Between January and May of this year, 95 adolescent girls disappeared, ten times more than the same period in 2007, according to a recent report released by the PGJEM. Aggravated homicides committed against women in the state have also risen in recent years. Between 2005 and 2011, the period during which the now-president-elect Enrique Peña Nieto governed the state, such crimes increased by 133%, totaling 1,232. During the recent week of July 14 to 20 alone, there were four cases of aggravated homicide recorded against female adolescents and women, ranging in age from 14 to 22. Three of the victims had also been raped; while the family members of the fourth posted on Twitter that her boyfriend had murdered her. Arrests have been made in just one of the cases.

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Mass-arrest of minors detained provokes calls for human rights investigation

A record breaking 230 persons—175 of which were minors—were taken into custody by Mexico City (Federal District, DF) police after an outbreak of violence at a bar around 5:00pm on Sunday, July 16. The bar was hosting a reggae-ton concert that night and quickly found itself overwhelmed by the massive number of unexpected attendees, who turned violent after being turned away due to capacity limitations. Police were called upon to diffuse the situation and, upon arrival, proceeded to detain a department record 230 people for questioning related to incidences of violence, looting, vandalism, and setting off fireworks. The *Los Angeles Times* reported that 91 of the initial 175 minors detained were released that same day for "lack of evidence."

Claims of human rights violations have arisen, as Luis González Placencia, president of the National Human Rights Commission (Comisión Nacional de Derechos Humanos, CNDH), has called the number

of detentions unreasonable and illogical. As reported by Mexican newspaper *La Crónica de Hoy*, Placencia said that “He hope[s] the local Public Security Ministry (Secretaría de Seguridad Pública, SSP) has the relevant evidence to indict all young people, over half of them children; otherwise, they committed a serious excess of arbitrary arrests, discrimination, and abuse of authority.” Critics are claiming that the detainees were apprehended because of their physical appearance and social standing, not necessarily for being involved in criminal activity. Placencia added, “The message is sent that when a youth appears to belong to a lower class, they are subject to the [unfair] scrutiny of the police.”

Mass gatherings of minors in the past have occurred without incident, as evidenced by the recent elections in Mexico and the resulting #YoSoy132 movement. However, this is not the first time police from Mexico City have been accused of mistreating minors. For example, as TBI reported last month, 12 people were killed—four of which were minors—in an underage drinking raid in Mexico City in 2008 when Federal District police blocked the only exit of the News Divine night club they stormed.



Minors apprehended in Mexico City are transported to police facilities.
Photo: Excélsior, Cuartoscuro

With regard to the recent July 16 incident, a complaint has been filed with the Attorney General's office (Procuraduría General de la Justicia) in Mexico City. According to the Federal District's Human Rights Commission (Comisión de Derechos Humanos del Distrito Federal, CDHDF), such actions by the police serve to criminalize youth based on social stature. The human rights commissions noted, however, that they do not assume the innocence of all parties detained. Placencia said that the hope is that those who engaged in criminal activity were arrested with cause, but that the holdings of those seemingly based on physical appearance and perceived social standing without concrete evidence are rightfully classified as an abuse of police power.

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INDIGENOUS RIGHTS

Indigenous community under attack in Michoacán demands increased security measures

Over the last two weeks, citizens of Cherán—a semi-autonomous municipality in the state of Michoacán populated by members of the Purépecha indigenous group—have mobilized a series of demonstrations calling for state and federal authorities to secure their community against violent *talamontes*, the nickname for illegal loggers with links to organized crime. According to *Informador*, the public security situation in this rural enclave has been deteriorating for several years now. On July 8, Urbano Macías and Guadalupe Jerónimo became the most recent targets of violence believed to be perpetrated by *talamontes* as they went missing while working on reforestation efforts. Two days later, their bodies were found in the adjacent town of Zacapu bearing signs of torture. This event sparked the demonstrations that followed, which were carried out by the beleaguered community.

The members of Cherán, who are referred to as *comuneros*, are the legal stewards of 69,000 acres of forest, according to *Prensa Latina*. The *comuneros* argue that unauthorized loggers have devastated nearly 50,000 of these acres and have violently confronted their caretakers in the process, as was the case with Macías and Jerónimo. In the last four years, armed loggers have allegedly kidnapped 13 of

Cherán's members and murdered six more. During the same period, Cherán's leaders have repeatedly reached out to state authorities, requesting an increase in police presence in response to the attacks. As reported by *Informador*, the state of Michoacán failed to respond to Cherán's calls for help. However, the killing of the two *comuneros* earlier this month, and subsequent community activism, seems to have led to a government response.



Photo: Noticias Televisa

On July 13, the Cherán community members protested by occupying the San Ángel Zurumucapio and Zirahuén toll stations along the Siglo XXI federal highway, which prevented the stations' operators from collecting any money from motorists. This same group went on a silent march for peace through the streets of their municipality on July 18 with simultaneous solidarity marches taking place in Morelia, the state's capital. During that same afternoon, members of Cherán's Communal Council (Consejo Comunal) met with Obdulio Ávila Mayo, the undersecretary at the Ministry of the Interior (Secretaría de Gobernación, Segob) in Mexico City. They

presented Ávila Mayo with a document outlining their demands, which included "enhanced coordination of efforts between the federal government, the state of Michoacán, and Cherán's governing council" to "control and dismantle" organized crime in their region, and also a request to bolster funding of social programs that benefit the indigenous community.

The federal authority has quickly responded to the *comuneros*' list of needs. According to Trinidad Martínez, a member of the Communal Council of Cherán, approximately 80 officers from both state and federal police arrived in Cherán on July 19 to initiate the first phase of the new security plan. *El Economista* reported that, in addition to the police increase, large ditches were being created at strategic entry points to the forest in order to prevent the passage of trucks and load-bearing animals that are used to smuggle lumber.

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AROUND THE STATES

AGUASCALIENTES: SSPE presents report on state's public security



Rolando Eugenio Hidalgo Eddy, the Aguascalientes State Secretary of Public Security (Secretaría de Seguridad Pública Estatal, SSPE), delivered a report to Governor Carlos Lozano of Aguascalientes on the results of security tasks undertaken in the state, specifically highlighting the unified police command (Policía de Mando Único) system that was officially implemented statewide in 2010. He explained that during 2012, law enforcement have already arrested 944 people, of which 639 were sent to State Prosecutors (Ministerio Público del Fuero Común) for common crimes, 221 to the Federal Prosecutor (Ministerio Público Federal) for federal crimes, and 43 to other state

prosecutors' offices for warrants they had there. Also since the start of the year, 250 vehicles, around 5,000 cannabis plants, more than 2,000 bundles of cocaine, over 900 psychotropic pills, 10 firearms, and 310 rounds of ammunition of various calibers have all been seized.

In his report, Hidalgo Eddy noted that the Aguascalientes State Police have substantially modernized its equipment, strengthened its training infrastructure, and completed development courses on tactical deployment, operational actions, shooting, and defense, which were taught by Mexican Army and Federal Police personnel and hosted in the states of Jalisco, Querétaro, and Sonora.

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COAHUILA: Cost to implement New Criminal Justice System could reach two billion pesos



Coahuila Governor Rubén Moreira Valdez informed *El Diario de Coahuila* that implementing the new adversarial criminal justice system (Sistema Nueva de Justicia Penal, SNJP) will cost the state between 1.5 and two billion pesos (between \$112 million and \$149 million USD). The governor assured that the new system is already beginning to take root in the judicial districts in the center of the state. According to Marco Antonio Mendoza Bustamante, the commissioner for the implementation process in Coahuila, the city of Frontera in the central municipality of Monclova has already spent 20 million pesos on

the construction of the first new building that is set to house oral trials by June 2013. Mendoza Bustamante described that parallel efforts to train police, judges, and agents of the public ministry for their duties in the new judicial system have also been set into motion. The Commissioner expressed that educating every practitioner involved in the criminal justice system—police departments, mediators, judges, public ministry officials, and lawyers—is crucial to the successful development of oral trials. So far, six million pesos have been invested in these professional capacity building efforts.

According to the Commission's agenda, the first oral proceedings in Coahuila are scheduled to begin in 2013. Given that the implementation of the system will be gradual, the judicial districts of Saltillo and Parras de la Fuente will be first, followed by the Laguna Region in 2014, the northern region of the state in 2015, and the state's central region and districts of Sabinas, Rio Grande, and Acuña by the close of 2016, which is when all states nationwide are expected to have completed the reform's implementation. The resources already available for the reforms come from the federal and state government, although the Commission is responsible for seeking funding from international organizations such as the World Bank, among others.

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FEDERAL DISTRICT: Developments of PGJDF in the new criminal justice system



The Attorney General of the Federal District (Procuraduría General de Justicia del Distrito Federal, PGJDF), Dr. Jesús Rodríguez Almeida, highlighted the progress his office has made on the implementation of the reform to the criminal justice system (Sistema Nueva de Justicia Penal, SNJP). Speaking to the press, he explained that on October 13, 2008, the federal government established an agreement to form the Coordination Council for Implementation of the Criminal Justice System (Consejo de Coordinación para la implementación del Sistema de Justicia Penal) nationwide. After various organs of the Federal District's government signed the agreement—which was

published on February 10, 2010, in the Official Gazette of the DF (Gaceta Oficial del Distrito Federal)—the PGJDF was appointed as coordinator of the unit to oversee early implementation within the DF.

Rodríguez Almeida articulated the progress the DF has made on implementation since it was originally signed, noting that inter-agency coordination between the District and the Federal Government has resulted in the securing of approximately 76 million pesos (\$5,600,000 USD) in funding, which have materialized into 23 projects related to the justice system's implementation. The Attorney General acknowledged that among the key issues to implement the justice system in Mexico City is the application of alternative dispute resolution (ADR). He clarified that while the PGJDF already has a mediation unit that opened six months ago, he envisions the construction of a second unit in the near future that will specialize in working with juveniles. After four years of working with the reform, added Rodríguez Almeida, the PGJDF has addressed issues such as training, professionalization, and specialization, consisting of courses to teach staff of the differences between the old and new justice systems, and how to better enforce the law.

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MORELOS: Unified police force approved

On June 28, the state legislature of Morelos approved a bill that will consolidate state, municipal, and transit police forces under one unified command (Policía de Mando Único). According to the bill, there are currently 33 police departments in Morelos overseen by 33 different police chiefs, which are vulnerable to being "corrupted, co-opted, and infiltrated by organized crime." The bill also adds that the unification of these departments will help to better ensure the public's safety in Morelos via a central command. Morelos Governor Marco Antonio Adame Castillo originally set the bill in motion in April 2011 following allegations of local police involvement in seven homicides

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TAMAULIPAS: Oral trials to begin in October 2012

Mayra Alejandro Ochoa, chair of the Constitutional Affairs Committee (Comisión de Puntos Constitucionales) in Tamaulipas's state congress, indicated to *Reforma* that the state's Judicial Authority (Poder Judicial de Tamaulipas) held a simulation of oral arguments in civil proceedings in Reynosa on July 9. The congresswoman explained that oral civil procedure would begin to be formally implemented in courtrooms around the state in October of this year. Alejandro Ochoa, also a trained lawyer and spokesperson for the state congress's Legislative Affairs Committee (Comisión de Asuntos

Legislativos), went on to describe that during the last congressional session, a new legal code outlining judicial procedure in criminal trials was approved, which calls for oral trials in both civil and criminal cases. According to her, the goal is to fully implement oral trials in the state's criminal courts, which will now operate under the principle of the presumption of innocence, by 2013, or at the very least launch a preliminary pilot program in select cities during the latter half of 2012.

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