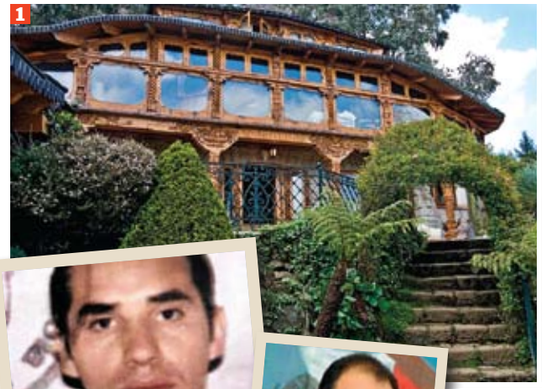
THE MAKING OF A NARCO STATE

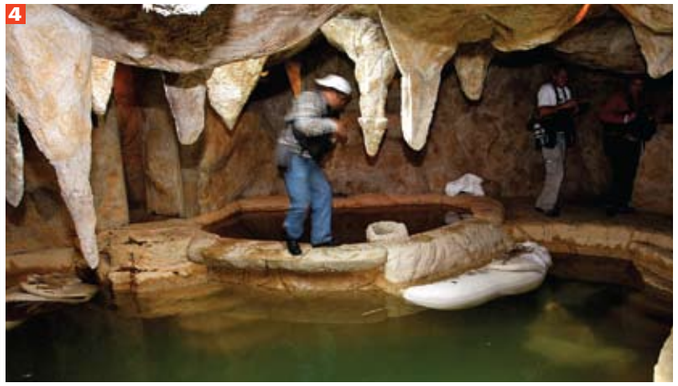
As Mexico descends into brutality and lawlessness, the government itself has become a tool of the drug lords

BY GUY LAWSON

THE TARGET OF THE RAID WAS the *narcotraficante* known as "El Conejo" – the Rabbit. In keeping with his stature as the main supplier of cocaine to one of Mexico's most powerful drug cartels, the Colombian was throwing a lavish party at a sprawling mansion on the south side of Mexico City. As always, there would be plenty of high-end prostitutes, who served a dual purpose: They not only made money for Conejo while they were working, they could also be sent back to Colombia loaded down with the cash from his drug trafficking – by some accounts as much as $40 million in profits every month. ✣ Tipped off by an informant, 100 federal police wearing ski masks and armed with assault rifles descended on the mansion at one in the morning last October, when the coke-fueled debauchery was in full swing. Storming through the residence, the *federales* grabbed 11 Colombians. They also seized every drug raid's

THE SLAUGHTERHOUSE Mexican federal police patrol Juárez – now the country's deadliest city, with 1,600 murders last year.





Run Rabbit Run

Last October, when federal police raided a mansion in Mexico City (1), they cornered the Colombian drug trafficker known as the Rabbit (2). But corrupt cops under the command of police commissioner Gerardo Garay (3) quickly turned the drug bust into a crime spree, shaking down the drug traffickers for cash. According to witnesses, Garay selected several prostitutes from the raid and retired to a faux cave in the basement (4) for the night. The police later paraded the suspects for the cameras (5) – but the Rabbit, who escaped the raid, was not among them.

clichéd cache: mounds of coke, cash, guns. Afterward, the Mexican media were ushered into the mansion to document the narco fantasia for the viewing audience at home: the opulent gardens, the private cinema, the cages stocked with two lions, two white tigers and two black panthers.

For once, it seemed, the rule of law had prevailed in Mexico. After years of watching the drug lords operate with near-total impunity, killing and torturing thousands of victims at will, the police finally appeared to be regaining a measure of control in the War on Drugs.

But in the days that followed the raid, another version of the story emerged – one that betrays the lying, thieving, violent, paranoia-inducing disaster that is the Mexican drug war. The *federales,* it turns out, had turned the takedown into a violent shakedown. According to witnesses, the police burst into the mansion screaming, "Fucking bitches! Daughters of whores! Now the real party has begun!" For the next 24 hours, the cops went on a crime spree of their own. They pocketed Cartier and Rolex watches, diamond rings, mounds of pesos. They stole a honey-colored English bulldog, which was carried to the back seat of an armored police car. They dragged the prostitutes into the screening room and administered electric shocks to the men. Then they filled the swimming pool with ice and forced the men into the freezing water, as a way of extracting names and addresses from them – not to arrest other traffickers, but so police could be dispatched to their residences to steal from them as well. All told, seven houses were robbed of nearly $600,000. One narco was instructed to come up with half a million dollars in cash, which was stuffed into two Winnie the Pooh bags for delivery to the officer in charge of the raid – Gerardo Garay, the commissioner of the federal police and head of a top-level commission charged with punishing misconduct and rooting out corruption in Mexican law enforcement.

At the mansion that night, while he waited for the money to arrive, Garay selected four of the 30 prostitutes at the party and retired to a room in the basement designed to look like a cave – if a cave came equipped with a Jacuzzi. Garay then summoned one of his bodyguards and ordered a portion of the seized cocaine brought to him.

"For the whores," the police commissioner explained.

Contributing editor Guy Lawson *wrote about Mexico's drug violence in "The War Next Door" (RS 1065). Research assistance by Mary Cuddehe; legal documents provided by Francisco Gómez.*

OPENING SPREAD: SHAUL SCHWARZ/REPORTAGE BY GETTY IMAGES. THIS PAGE, CLOCKWISE FROM TOP LEFT: RONALDO SCHEMIDT/NEWSCOM; MARCO UGARTE/AP IMAGES; DANIEL AGUILAR/REUTERS/LANDOV; FEDERAL POLICE/REUTERS/LANDOV; NO CREDIT

In the morning, the floor of the cave was strewn with spent condoms.

By then, with the police more focused on looting than making arrests, the Rabbit had escaped.

In Mexico, the raid on Conejo's party and the subsequent revelations of Garay's corruption played out in the press with a mix of outrage and resignation. Sensational stories of police corruption are a near-daily occurrence here. Indeed, as drug violence has spiraled out of control in Mexico, the line between law enforcement and organized crime has virtually disappeared. Many of Mexico's police officers, who are paid less than $5,000 a year on average, supplement their meager incomes by taking money from drug traffickers. In a recent investigation of 400 *federales,* 90 percent were linked to the cartels. Police who refuse to cooperate are frequently executed, often in broad daylight. More than 500 police were killed last year, some of them beheaded by members of the growing cult of *Santa Muerte,* or Holy Death – a group, celebrated in shrines across the country, that includes drug traffickers and police officers alike. In January, to cite one of many grim examples, the severed head of a police *comandante* was dumped in front of the police station in Ciudad Juárez, just across the border from El Paso, Texas.

The widespread corruption has all but handed control of large swaths of Mexico to the drug lords. In the past year, at least 6,290 people were killed in drug-related crimes, double the number in 2007. Nearly half of the victims remain unidentified because the families are too afraid to come forward to claim the bodies, lest they be targeted by drug violence. Although more than 45,000 soldiers have been deployed to lawless regions throughout the country, the military response only appears to have escalated the violence. In January, a man in Tijuana confessed to being "El Pozolero" – the Stew Maker – who disposed of the bodies of 300 murder victims for a drug cartel by dumping them in pits and dousing them with acid to dissolve the remains. In February, an hours-long shootout between the army and a gang of kidnappers in Chihuahua, near the border with New Mexico, ended with 21 dead. No police officers took part: The town's entire police force had already resigned last year after drug traffickers murdered the police chief and two other cops.

"Mexico is on the edge of the abyss," retired U.S. general and former drug czar Barry McCaffrey wrote in a strategic assessment at the end of last year. Michael Hayden, the outgoing head of the CIA, said in January that the threat of a narco state in Mexico is one of the gravest dangers to American security, on a par with a nuclear-armed Iran. A recent report by the U.S. Joint Forces Command likens instability in Mexico to the risk of a failed state in Pakistan, warning that a "rapid and sudden collapse" could occur in the coming years. "Any descent by Mexico into chaos," the report concludes, "would demand an American response based on the serious implications for homeland security alone." In 2007, the Bush administration unveiled the Mérida Initiative, pledging $1.4 billion in aid – most of it military-related – to help Mexico fight drug traffickers, and the CIA and the DEA both operate actively in Mexico, gathering intelligence on the cartels. Now, under pressure from Washington, the Mexican government is pursuing a new initiative called "Operación Limpieza" – Operation Cleanup – to investigate dirty cops and root out corruption.

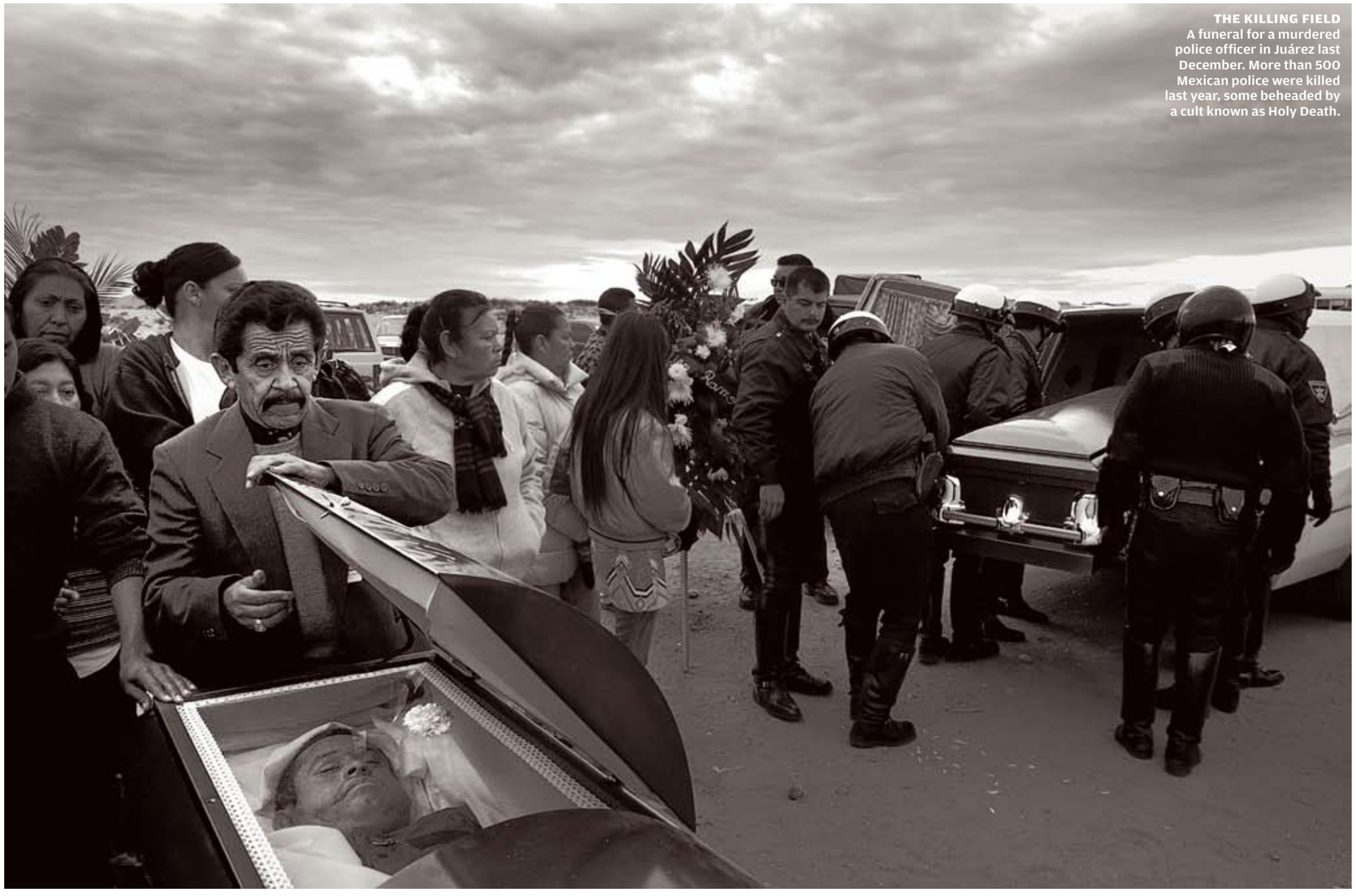
But the lawlessness and brutality throughout Mexico – as well as the official misconduct that makes it possible – are not limited to the local police, or even to top-ranking federal officers like Gerardo Garay. As the raid against Conejo revealed, the influence of the drug cartels reaches all the way to the highest levels of Mexico's political elite. The real front in the War on Drugs is not in cities like Tijuana and Ciudad Juárez, or in the Sierra Madres, where drug kingpins hide out, but in the corridors of power in Mexico City. The government itself has become a tool of the narcotraffickers, who have successfully infiltrated every level of the country's law-enforcement and intelligence agencies. Indeed, it now appears that Mexico's top drug czar, as well as its head of Interpol, have been secretly working for the drug cartels, funneling classified information to the nation's most notorious drug lords.

"Garay is totally corrupt," says José Reveles, founder of the leading newsweekly *Proceso* and author of a forthcoming book on the Mexican drug war called *Dark Stories of Drugs, Impunity and Corruption.* "But Garay was right underneath the top man for security for the whole government, who has not been arrested. The arrests only go to the neck, not to the head. It is not possible that the corruption ends at the neck. The whole body is corrupt. These cleanup operations are nothing but propaganda."

"THE ARRESTS FOR CORRUPTION GO ONLY TO THE NECK, NOT THE HEAD," SAYS A LEADING MEXICAN JOURNALIST. "THESE CLEANUP OPERATIONS ARE NOTHING BUT GOVERNMENT PROPAGANDA."

The roots of Garay's raid reach back to December 2007, when Mexican police seized 500 kilograms of cocaine at the airport in Mexico City. When I traveled to the Mexican state of Sinaloa last year to report on the escalating drug violence ["The War Next Door," RS 1065], I wrote about the bust at the airport and how it had started a deadly feud between two of Mexico's most powerful drug kingpins, "El Chapo" (Shorty) and "El Mochomo" (Red Ant). The two had been allies in an all-out war with rival cartels for control of the incredibly lucrative territory along the U.S. border, where drugs are routinely smuggled into America via a network of tunnels and trucks with false floors and, new to the market, mini-submarines used to skirt coastal patrols. Furious at the loss of half a ton of cocaine, Mochomo ordered the execution of the airport workers responsible for the shipment's safekeeping. The retribution attracted police attention, and that proved bad for business. Within weeks, Mochomo was arrested. Given the level of corruption in Mexican law enforcement, Mochomo assumed that his capture could only be the result of betrayal by someone close to him: none other than Chapo, a legendarily sly and ruthless trafficker. Before long, Chapo's son was killed in a drive-by shooting. So began the internecine war within the Sinaloan cartels.

For years, senior law-enforcement officials in Mexico City suspected that the narcos had corrupted the state's intelligence apparatus. In 2002, the attorney general alleged during a press conference that officials inside the government were tipping off drug traffickers. Last year, during the arrest of Mochomo, a letter was reportedly discovered among his docu-



THE KILLING FIELD
A funeral for a murdered police officer in Juárez last December. More than 500 Mexican police were killed last year, some beheaded by a cult known as Holy Death.

SHAUL SCHWARZ/REPORTAGE BY GETTY IMAGES

ments that implicated a top official with the attorney general's office for the Specialized Investigation of Organized Crime (SIEDO), the government's leading anti-narcotics unit. One of its most trusted members, it appeared, was accepting bribes from the cartels. With DEA support, Mexican authorities launched an internal investigation, complete with wiretaps and hidden surveillance. It was soon established that senior officials in SIEDO were on the take.

Then, on July 2nd of last year, a man now code-named "Felipe" walked into the Mexican Embassy in Washington, D.C., and announced that he wanted to turn himself in. The tale he told would ignite one of the biggest stories of the year in the Mexican media. Felipe, the former chief of Interpol at the Mexico City airport – the place where the half-ton of coke had been "lost" and the fight between Chapo and Mochomo had begun – had risen quickly through the ranks of the intelligence services. Since August 2007, he had worked in a key position inside the U.S. Embassy in Mexico City. In that role, he was literally at the fulcrum of the War on Drugs, privy to some of the government's most sensitive secrets and strategies. Now, sitting across from the head of the embassy's consular section, Felipe revealed that he was on the payroll of the Beltrán Levya cartel – the operation run by Mochomo. One of Mexico's most pivotal intelligence officials was confessing to being a double agent.

The reason Felipe turned himself in is still unknown. He may have sought refuge in the embassy because his life had been threatened by the cartels or because he feared retribution from within the ranks of the federal police. Whatever his motivation, his secret testimony helped expose the true extent of corruption in Mexico – a web of deceit that has implicated almost all of the country's law-enforcement establishment. Felipe told investigators that the Beltrán Levya cartel had an entire network of officials on the take inside SIEDO and the intelligence services. Many of the Mexicans who were considered the most reliable by American intelligence agencies, it appeared, were corrupt. José Luis Santiago Vasconcelos, the former director of SIEDO and the DEA's go-to man in Mexico, was implicated in the scandal. So too was Noé Ramírez, the head of SIEDO. By last fall, 35 members of SIEDO were being held *bajo arraigo* – a state of legal limbo in which the accused are placed in special detention facilities pending an investigation.

Ramírez and others deny the charges, and many inside the Mexican government believe that Felipe is lying. But his account – which is told in full for the first time here, based on transcripts of his secret testimony – is both detailed and convincing. According to Felipe, connections between the cartel and SIEDO were handled by a former cop named Cueto. Meetings were held in restaurants around Mexico City, often within walking distance of the U.S. Embassy, as well as in parked Mustangs and cafes. Felipe said he would meet with a drug trafficker he knew as "the Nineteen" (because he was missing a finger on his right hand, hence one short of 20 digits), who paid him in cash and provided him with a cellphone he was supposed to turn on every night to provide updates on any relevant information. Felipe was given the nickname "Curtain Man" by the Nineteen.

"He always wanted to know if there was any news about the Beltrán Levyas," Felipe told investigators. "I always said things were calm, but they should be careful."

The Nineteen was picked up by authorities soon after Felipe began to talk. Once the trafficker flipped, more secrets came out. The Nineteen described meeting with the director of intelligence of SIEDO, Fernando Rivera, at a bar near the Angel of Independence in Mexico City. As the men drank, Rivera made an opening bid, noting that he had once been offered $450,000 to go easy on an investigation.

"Have you already been offered the suitcase?" the Nineteen asked.

"No," said Rivera. "That's what I'm waiting for."

"Well, this is your lucky day."

At a meeting a few days later, the Nineteen slipped a black bag containing $150,000 under the table. Over the next six months, in return for this monthly stipend, Rivera provided the cartel with information on everything that happened inside SIEDO – investigations, names, photographs, cellphone numbers of agents, dates and times of planned operations. On the night of Mochomo's arrest in January 2008, the Nineteen said, Rivera called him at dawn, warning that the drug lord was going to be busted in the city of Culiacán. The operation was being run by the military, not SIEDO, so Rivera had just learned of the raid. The Nineteen offered him $5 million to abort the arrest, but it was out of Rivera's hands.

When I was in Sinaloa last year, sources with connections to Mochomo told me that the kingpin's brother, "El Barbas" (the Bearded One), had wanted to stage an assault to bust Mochomo out of prison. At the time, it was impossible to confirm the rumor – but the Nineteen has corroborated the story. Rivera provided the Nineteen with a map of the interior of the SIEDO building where Mochomo was held. At night there would be only 11 guards. If the Nineteen paid them $70,000 each, plus another $3 million for Rivera, they would allow Barbas' men to drive an armored car into the back of the building to free Mochomo. But Chapo apparently used his own connections in law enforcement to squelch the plan, and the next day Mochomo was transferred to Puente Grande, a maximum-security prison where escape is considered impossible. Unless, that is, you are as smart and daring as Chapo, who managed to break out of the facility in 2001, a feat renowned in Mexico in song and in mythology as the "golden kilogram," a reference to the weight of gold legend says he paid as a bribe.

Throughout the fall, the secret investigation sparked by Felipe's allegations continued with a series of arrests and confessions. A top director of SIEDO, Miguel Colorado, was detained during a military operation. An official with the code name "Saul" said the Beltrán Levyas were offering $10 million to help rescue Mochomo from prison. Yet another SIEDO official – a man investigators called "David" – confessed that he had been paid $120,000 a month to provide information to the cartels. David described the situation inside SIEDO as so corrupt that top-level officials were using internal investigations as a way of discrediting or destroying others and protecting their own bribes.

It was at this point, just before Felipe's story broke in the Mexican press, that the federal police raided Conejo's party at the mansion. Garay, the police commissioner, had been suspected of corruption even before the bust. A few months earlier, dozens of banners known as *narcomantas* had been hung from traffic overpasses in 15 cities claiming that Garay was working for the drug lords. Banners bearing the names of dirty officials have become a routine way for drug traffickers to out cops on the payroll of other cartels or to spread disinformation designed to cripple law enforcement with doubt and suspicion.

In late October, not long after the raid on the mansion, police busted "El Rey" (the King), a leading member of Chapo's cartel, in a shootout. At the *presentación,* where drug traffickers are paraded in front of cameras, police displayed a gaudy array of gold-plated automatic weapons that had been seized after the gunfight. Rey's son and stepson, who were also captured, told police it was their father's men who had tipped off police about Conejo's party. In other words, Chapo's man had set up Mochomo's main coke supplier, using the police as a means to destroy his rival's business. The son and stepson's testimony also indicated that Garay and his subordinate, Edgar Bayardo, worked for the cartels.

The double whammy of Garay's corruption and Felipe's revelations sent the Mexican government into a free-fall. Garay and Bayardo were both arrested. Ramírez, the head of SIEDO who effectively served as President Felipe Calderón's drug czar, was charged with taking $450,000 from Mochomo's cartel. The second in command of Mexico's version of the FBI

was accused of taking $10,000 a month from the cartels, and two weeks later, the head of Interpol for Mexico was also arrested. In the most startling accusation, an informer reported that the payoffs reached all the way to Vasconcelos – a top Calderón adviser and the Bush administration's man in Mexico.

In January, after Calderón had unveiled Operación Limpieza, I returned to Mexico to report on the struggle to purge the government of corruption and re-establish the rule of law. I met with a high-ranking federal official in the lobby of a stylish hotel in an upscale district of the capital. The official, a heavyset and well-dressed man, had served in Los Pinos, the Mexican equivalent of the White House. Speaking in perfect English, he was prone to making formal pronouncements reiterating the government's official policy, only to veer into bursts of candor and knowing laughs. He agreed to speak to me but would only talk "on background" – a demand I encountered at every turn in a nation where having your name appear in a drug-related story can endanger your life, or career, or both.

Like many Mexican officials, Backgrounder blames much of his country's drug war on the United States – and not without justification. It is America's insatiable demand, after all, that has created the market for narcotics in Mexico. Likewise, it is Washington's fixation with the War on Drugs that has pressured Mexico to wage a shooting war within its borders to stem the flow of illegal substances north of the border. As Calderón pointed out during his summit with President Obama in January, there are thousands of gun stores just across the border in the United States; it is these stores that arm the cartels with AK-47s that are easily smuggled into Mexico. If Mexico or Canada were arming American criminals in such a fashion, Mexican officials like to point out, it would almost certainly be taken as an act of war.

Operación Limpieza, Backgrounder adds, was really an American initiative undertaken by the Mexican authorities to placate Washington – and to deflect attention from the fact that the U.S. government's own security operations had been breached by Felipe. "The Americans exaggerate the problem," he says. "There are institutional reasons for the American government to say that Mexico is a big disaster. Agencies like the FBI and DEA are competing for resources. There is a problem here, of course. Cities like Tijuana and Ciudad Juárez and Culiacán are violent, but the threats have been there for years. It's bad, but it's no worse than the crack epidemic in New York in the Eighties. To question the viability of the state of Mexico is preposterous."

Presidents Calderón and Bush in 2007

Mexico's Corrupt Blue Line

The drug cartels have infiltrated virtually every level of Mexican law enforcement

The Drug Lords

Chapo
Kingpin in Sinaloa; engineered a police bust on his rival's Colombian supplier

Mochomo
Had top drug-war officials on his payroll; prison break foiled by Chapo's moles

The Suspect Officials

José Vasconcelos
Top Calderón adviser and Bush's man in Mexico; accused of being on the take

Noé Ramírez
Calderón's drug czar; imprisoned after Mochomo allegedly paid him $450,000

The Reformers?

Javier Herrera
Warned Calderón of police inaction; then ousted and accused of working for Chapo

Alejandro Gómez
Chief of staff for the attorney general – yet downplays the extent of corruption

Under Calderón, Backgrounder says, the government has set out to rebuild the entire legal system. In the next few months, a host of federal law-enforcement agencies will be merged into a single large organization. "The old system is rotten to the core," says Backgrounder. "It is not so much the corruption of individual people – though that's bad – as it is the system itself." The government plans to hire 8,000 college graduates as fresh recruits – a move that doesn't exactly inspire confidence, pitting twentysomethings with bachelor degrees against the ruthlessness and wealth of the drug cartels. In addition, a new law passed in January establishes an elaborate system of "trust control." Every cop in the country will be polygraphed and subjected to toxicology tests. The grandly titled Center for Certification and Evaluation will keep records on every police officer in the country.

"We are about to squash corruption," says Backgrounder. Then he pauses and sighs. "Implementation," he concedes, "will be a bitch."

FEW OUTSIDE THE CALDERÓN government place much stock in such official assurances. Some in Mexico City accuse the president of using the drug war as a pretext to consolidate power after winning an election in 2006 that many still believe was stolen. That December, with a mass protest taking place in front of Congress, Calderón's position was so weak that he had to sneak in through a side door to take the oath of office. Days later, the president declared war on the cartels. Since then, with the army deployed throughout the country, Calderón has essentially presided over his own version of the War on Terror.

"For half the people in Mexico, the election was a fraud," says Reveles, the founder of *Proceso*. "Calderón needed to assert authority and give the perception that he would get things done. He did a spectacular thing, sending the army and tanks into the street. He talks about 'enemies of the state' when he describes narcos – but he uses the same term against the opposition when they protest. Anyone who complains about the state is against the state. In this way, Calderón is like President Bush."

Such assertions might be dismissed as the ravings of a leftist journalist, if they weren't shared by officials in surprising quarters. During my visit, two former CIA agents stationed in Mexico City agreed to meet with me in a cafe at the Intercontinental hotel. One worked in the American Embassy for years as a case officer running spies. The other was what the CIA calls a "nonofficial cover officer," fronting as a legitimate businessman in Mexico for 30 years. Like every security expert I encountered in Mexico, they didn't want their names or any identifying characteristics mentioned – and would only agree to meet in the secure confines of a five-star hotel.

The agents were clearly thinking about the recent disappearance of a Houston security consultant named Felix Batista, a former major in the U.S. Army. Over the years, Batista had successfully negotiated resolutions to more than 100 kidnapping and ransom cases, gaining a reputation as one of the most effective consultants who deal with *secuestradores,* as kidnappers are known here. In December, Batista himself was abducted by armed men outside a restaurant in the city of Saltillo and has not been heard from since. The two American spies are convinced he is dead – in part because he allowed himself to be quoted in the press, making him a prime target for the cartels.

According to the spies, the Calderón administration is using the War on Drugs for its own political ends. "The security situation is being used to bolster the conservative government of Calderón and marginalize the left," says Spy One.

"The problem is America," adds Spy Two. "The CIA's mission in Mexico – working to stop the flow of drugs into the United States – has been diluted. They let it slip here because they were focused on Al Qaeda. But terrorists weren't going to infiltrate the Mexican government. That wasn't the real threat."

"The levels of incompetence are amazing," says Spy One.

As the two spies see it, the Felipe case – and the cascading number of snitches who have emerged since his confession – typify the slipshod way that U.S. agencies operate in Mexico. The problem, they say, is that much of Mexico's "intelligence" in the War on Drugs has been obtained by interrogations that involve electric shock and other coercive techniques. That's because prosecutors in Mexico are vested with dual responsibilities that give them the power and motivation to extract information by any means necessary.

"In America, prosecutors investigate, but the judge and jury decide the facts," says Santiago Aguirre, a human rights attorney in Mexico City. "Here, statements made to prosecutors *are* facts. There is no cross-examination or right to confront accusers. If a person in Mexico confesses to a prosecutor, that is considered sufficient evidence for a detention – so there is an incentive to get confessions."

As a result, torture is frequently used as a means of interrogation. "Prosecutors are careful that people aren't tortured while they are in detention," Aguirre says. "The torture takes place before, in an unofficial setting, with unidentified interrogators who wear no uniform." Alberto Bazbaz, the attorney general for the state of Mexico, describes the situation even more bluntly. "Basically we work with the same system that was used during the Spanish Inquisition," says Bazbaz, who is trying to reform his state's justice system. "The principle is the same as it was then – the same person who accuses you also judges you. All the power is in the hands of the prosecutor."

In Mexico, the American spies tell me, few accusations in the War on Drugs can be trusted. Intelligence is plentiful – but, as in the War on Terror, much of it is suspect, given the questionable manner in which it was obtained. "The state of U.S. intelligence in Mexico is terrible," says Spy One. "They are relying on the deceit of people who have been tortured by the Mexicans. It's like Dustin Hoffman in *Marathon Man* – they'll say anything."

"That's when the torture began," the man wrote in a letter recanting his testimony against Herrera. "It was both physical and psychological, consisting of electric shocks to the lower part of my back and death threats to me and my family for not agreeing to do what they asked. They told me I was accused of fraud by people in Acapulco and that I was fucked because one of them had family high up in SIEDO."

The man was taken to another room and ordered to sign a statement against a former *federale,* whom the agents said had received a suitcase filled with cash in Acapulco. It was only later, after the man saw pictures of Herrera in the press, that he recognized the officer he had falsely accused. "I fear for my life and that of my family," he wrote. "The responsibility for what happens to me belongs to the federal authorities."

"THE STATE OF U.S. INTELLIGENCE IN MEXICO IS TERRIBLE," SAYS A FORMER CIA AGENT. "WE'RE RELYING ON PEOPLE WHO HAVE BEEN TORTURED BY THE MEXICANS – THEY'LL SAY ANYTHING."

FEW CASES ILLUSTRATE THE untrustworthiness of intelligence in the drug war more than that of Javier Herrera, a former officer in charge of operations for the federal police. In a reformist move rare for Mexico, Herrera wrote directly to President Calderón last year, alleging high-level corruption inside the government. Many police operations, he told the president, were a joke – poorly planned, pointless, conducted with no clear goal beyond creating the appearance of action.

Drug traffickers and the corrupt cops who work for them responded to the threat Herrera posed in their usual way – by casting him as the bad guy. Not long after he wrote to the president, Herrera was arrested on the basis of information obtained from an informant who said that Herrera had accepted a $1 million bribe from Chapo. But when Reveles, the founder of *Proceso*, looked into the allegation, nothing made sense. The "witness," it turned out, was a small-time forger who had been picked up late one night by federal agents and taken to an interrogation room, where he was handcuffed to a chair and coerced into making a false allegation against Herrera.

Given how thoroughly the cartels have infiltrated every level of law enforcement, it has become virtually impossible to separate the corrupt cops from the courageous ones being set up for a fall. One senior federal police officer who spoke to me was praised by officials as a brave cop and dismissed by journalists as "the worst of the worst." The officer complained that Operación Limpieza was damaging morale. "It's hitting us hard," he says. "People don't trust us. The elites are terrified. They have lost faith in authority." He points to the arrest of Noé Ramírez, the head of SIEDO charged with accepting $450,000 in bribes from Mochomo's cartel. "I knew him very well," the officer says. "He was a nice guy. I still don't think he's guilty. How do you know that Felipe isn't a double agent sent by the narcos as part of a psychological war?"

In the close-knit circle of Mexico's political elite, such sentiments are not uncommon. Even one of the highest-ranking officials in Mexico's justice department didn't want to believe the charges against Ramírez. "I know him well. We worked together," says Alejandro Gómez, the chief of staff for the attorney general. "I was profoundly surprised and saddened when I heard the accusations against him." [*Cont. on 88*]

CLOCKWISE FROM TOP: NEWSCOM; 3; GUILLERMO GRANADOS/NEWSCOM; LEO MORALES/NEWSCOM; ALFREDO GUERRERO/NEWSCOM; PEDRO VALTIERRA/EPA/CORBIS

[*Cont. from 65*] For a man dedicated to rooting out corruption, Gómez – a lawyer with slicked-back hair and a smoker's raspy voice – seems strangely unconcerned about charges of widespread corruption at the highest level of his own government. Drug traffickers, he insists, often spread disinformation to discredit innocent public servants.

"Why should the Mexican people believe that corruption that reaches as high as Noé Ramírez doesn't go all the way to the top?" I ask.

"I don't know," Gómez says, lighting a cigarette. "I believe in my president and the attorney general. I trust them. That's it. There is no suspicion now that anyone higher than Noé Ramírez is involved."

"Have you ever been approached by narcos?" I ask.

"To be corrupted?" He takes a drag on his cigarette and looks up at the ceiling as he laughs. "Never. Thank God."

"Have the revelations made you concerned about corruption in your workplace?"

"No," he says. "There is a case of corruption. But it is only this case. It is not going to ruin the trust of the other people here. I don't suspect my co-workers, and they don't suspect me. It is the narcos who have a lack of trust. They are the ones who are killing each other. We trust each other."

Gómez might want to check with his old friend Ramírez. Testifying in court in late February, the former drug czar admitted that the government's entire law-enforcement apparatus is paralyzed by suspicion. "The public ministry and the police don't trust each other," Ramírez testified. "The same goes for the army."

Experts who study the drug war say the real problem runs deeper. Jorge Chabat, a professor of international studies at the Center for Research and Teaching in Economics, in Mexico City, says the government has only three choices when it comes to drug policy. It can fall back on the decades-long approach of *simulación*: pretending to enforce the law, even as officials profit from the drug trade. It can pursue the current path of military confrontation, which only underscores the government's inability to enforce the law. "Calderón said he would be the worst nightmare of the narcos," Chabat says. "But it's the opposite – the narcos are the worst nightmare for him. Operación Limpieza confirms that."

Or the government can opt for a new approach – one that many experts say could actually end the drug trade. "People in government are starting to talk about legalization," Chabat says. "At high levels throughout Latin America, politicians tell me off the record that there is a need to legalize. But the American government doesn't want to hear the l-word. The only good thing about the violence in Mexico is that it shows that *simulación* and confrontation are both bad policies."

The drug lords now brazenly operate in U.S. cities, carrying out murders in Birmingham and kidnappings in Phoenix.

Chabat notes that the main obstacle to ending the prohibition on narcotics remains popular opinion in the United States; polls show that a majority of Americans believe that controlled substances should be illegal. That may begin to shift, however, as the violence in Mexico spills across the border. There are increasing signs that the Mexican cartels are migrating north, where they now brazenly conduct their business in American cities. According to the DEA, the drug lords have carried out brutal murders in Birmingham, Alabama, and drug-related kidnappings are becoming common in Phoenix and Atlanta. On February 25th, the DEA announced that it had rounded up more than 700 of Chapo's men in 120 American cities. "Maybe the United States will change when it has the consequences we have with violence and corruption," Chabat says. "It is inevitable that corruption will travel into American law enforcement, because of the money involved."

Regardless of U.S. policy, a fundamental reconsideration of prohibition is under way in Latin America. In February, a commission headed by three former presidents of Brazil, Colombia and Mexico issued a report calling on lawmakers throughout the hemisphere to consider the legalization of marijuana for personal use. "The available evidence indicates that the War on Drugs is a failed war," declared Fernando Henrique Cardoso, the former president of Brazil, in announcing the commission's findings. "After 40 years of these policies, the price of drugs is falling, the flow of drugs is increasing and consumption is almost the same. We need to move from a purely repressive approach to one based on reducing consumption."

The devastating violence that is destabilizing Mexico – the daily kidnappings, the beheading of police officers, the countless civilians gunned down in the crossfire – would seem proof enough that the War on Drugs has failed completely. But in a page torn from the Bush administration's playbook in Iraq, the ever-increasing chaos in Mexico is cited by the Calderón government as evidence of success. The cartels have fallen into disarray, officials say, forced to fight over shrinking markets and declining revenues. The statistics since Calderón took office certainly sound impressive. Mexican authorities have seized 70 metric tons of cocaine, along with nearly 4,000 tons of marijuana, and arrested 57,000 people with alleged links to organized crime. "El Hummer," the co-founder of Los Zetas – a paramilitary group made up of Special Forces veterans working for the cartels – was busted in Tamaulipas in November. "El Doctor," the leader of the Tijuana cartel, was captured in October, and one of his brothers was sent to the United States for trial. All told, nearly 100 *narcotraficantes* were extradited to America in 2008, including 10 high-level traffickers on the last day of the year.

It's true that the drug-related violence seems to be tapering off in the state of Sinaloa, where Chapo and Mochomo are based – but not because of any action by the police or military, as the Calderón government claims. Instead, the rival cartels have apparently declared a truce so they can focus on the business of making money. Somewhere up in the Sierra Madres, or perhaps in a gaudy mansion in a suburb of Mexico City, or in a redoubt in the jungles of Guatemala, Chapo remains a free man, his power consolidated even further by the latest wave of corruption charges. Nearly all of the high-level officials caught up in Felipe's testimony worked for the Beltrán Levya cartel, while Chapo's connections reportedly remain in place, continuing to provide him with access to sensitive government intelligence.

Outside the government, few Mexicans believe that the current push to clean up political corruption will have any discernible effect. The purported transformation of the legal system, after all, is occurring in the shadow of war – virtually in a state of emergency. "A similar thing happened in the 1970s, with the president using the language of 'enemies of the state' that Calderón uses," says Aguirre, the human rights attorney. "Then it was leftist guerrillas. Now it is narcos. Then there was torture and disappearances. Now it is happening again. This is what is worrying about the discourse of Calderón. He's reinforcing the problem by pumping money into the military. The justice system here doesn't work."

Chabat, who has studied the drug war for two decades, poses the central question for which the governments of both Mexico and the United States have no response. "What does winning the War on Drugs even mean?" he asks. "Nobody knows the answer. I am sorry to say that the future will be just more of the same."