



Appendix

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CIA DI

INSITREP 95-007

# International Narcotics Review

August 1995

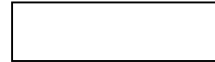
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August 1995

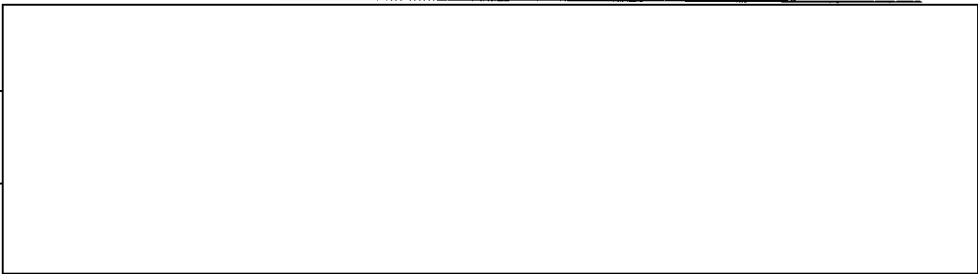
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**International Narcotics  
Review** 


August 1995

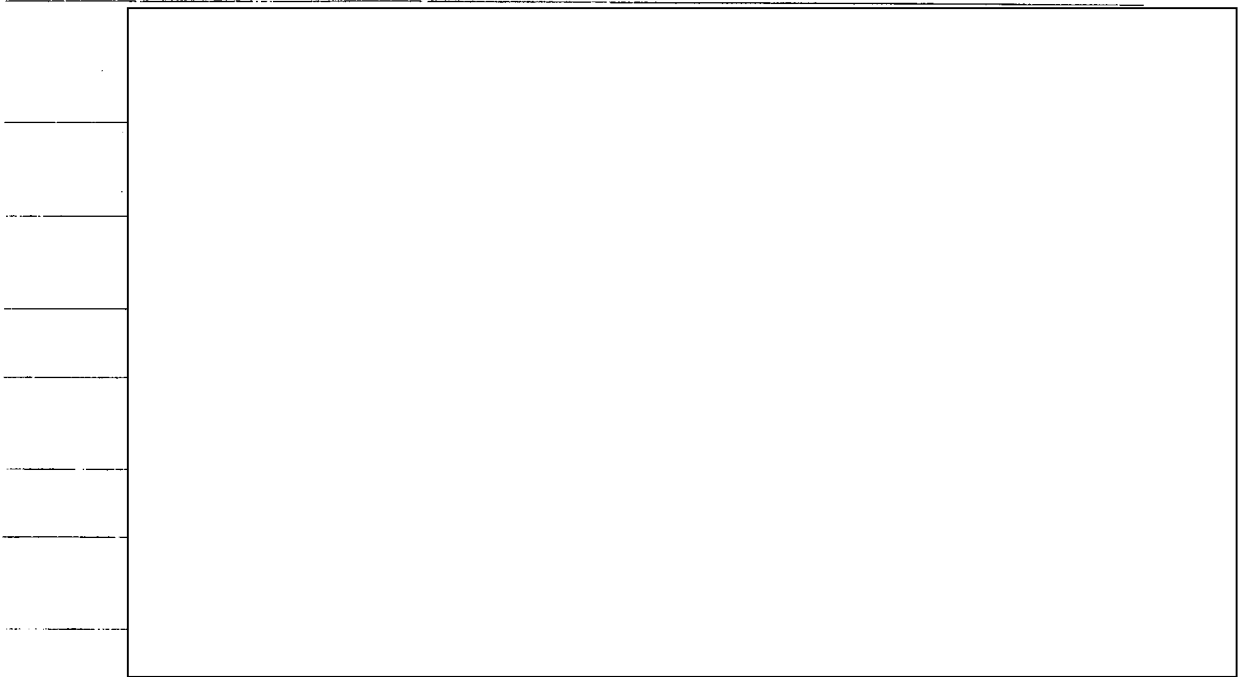
iii	Perspective—Mexican Trafficking: Potential Impact of Cali Mafia Setbacks 
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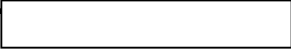
**Highlights** 

**Latin America** 

15	Mexico: Record Methaqualone Seizure 
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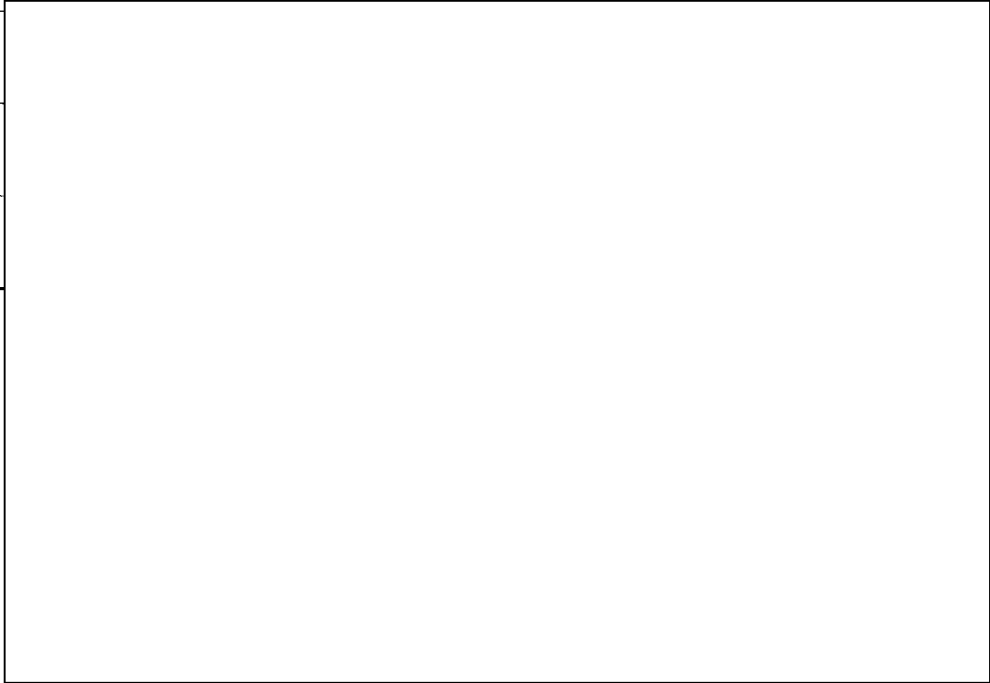
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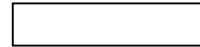
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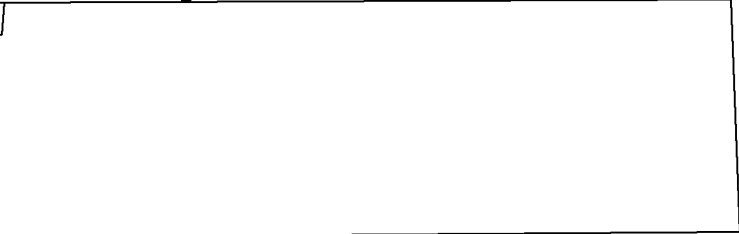
**International Narcotics  
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
August 1995

**Perspective**

**Mexican Trafficking: Potential Impact of Cali Mafia Setbacks** 


Although we do not discount the continued viability of Colombian traffickers, sustained disruptions to their operations are likely to increase further opportunities for major Mexican traffickers to gain additional leverage in the cocaine trade. Major Mexican drug-trafficking organizations are well positioned to take advantage of the unprecedented difficulties facing Colombia's drug mafia caused by the incarceration of six top Cali drug lords and by sustained pressure on the Peru-to-Colombia cocaine airbridge. The partnerships that major Mexican traffickers have established with the Colombian drug mafia give them the networks and experience to become involved in all facets of the cocaine trade in Latin America. We believe leading Mexican groups will begin jockeying for position to gain greater control of international cocaine trafficking if Colombian trafficking groups remain preoccupied for an extended period with reducing their vulnerability and realigning their leadership 


The Cali traffickers' need to adjust operations to take account of the pressures against them in Colombia could enhance the leverage of the major Mexican drug organizations—which specialize in moving drugs into the United States—in determining the terms and conditions of their narcotics transactions. 

 and Bolivian-produced cocaine may become more attractive to Mexican traffickers if the Cali drug mafia's troubles in Colombia disrupt cocaine shipments. Moreover, Peruvian trafficking networks are likely to take advantage of the situation to gain greater profits by increasing their own cocaine processing and by trying to make inroads at the Colombians' expense in Mexico. 

In facilitating the transshipment of cocaine through Mexico, the large Mexican trafficking organizations have developed sophisticated transportation infrastructures and methods, in conjunction with the Colombians, that they can use to acquire cocaine from more distant suppliers. The Mexicans'



experience in receiving multiton cocaine shipments from Colombia on long-range commercial cargo jets may give them the option to bypass Colombia and acquire cocaine directly from Peru or Bolivia. Because the larger Mexican trafficking organizations have greater experience and resources than Peruvian and Bolivian traffickers, they are in a better position to assume traditional Colombian roles and services and would probably become the dominant partner in any trafficking relationship. 

This could entail Mexican development of a large-scale cocaine processing industry in an effort to gain control over the cocaine trade. Domestic cocaine processing would allow Mexican traffickers to circumvent further the Colombians and to increase their control over the price and quality of cocaine, which could mean greater profits. Already a producer of marijuana, heroin, and methamphetamine, Mexico has well-established narcotics networks that can be adapted to produce large volumes of cocaine hydrochloride. Because coca is not grown in Mexico, Mexican traffickers would rely on cocaine base shipments from Peru and Bolivia. 

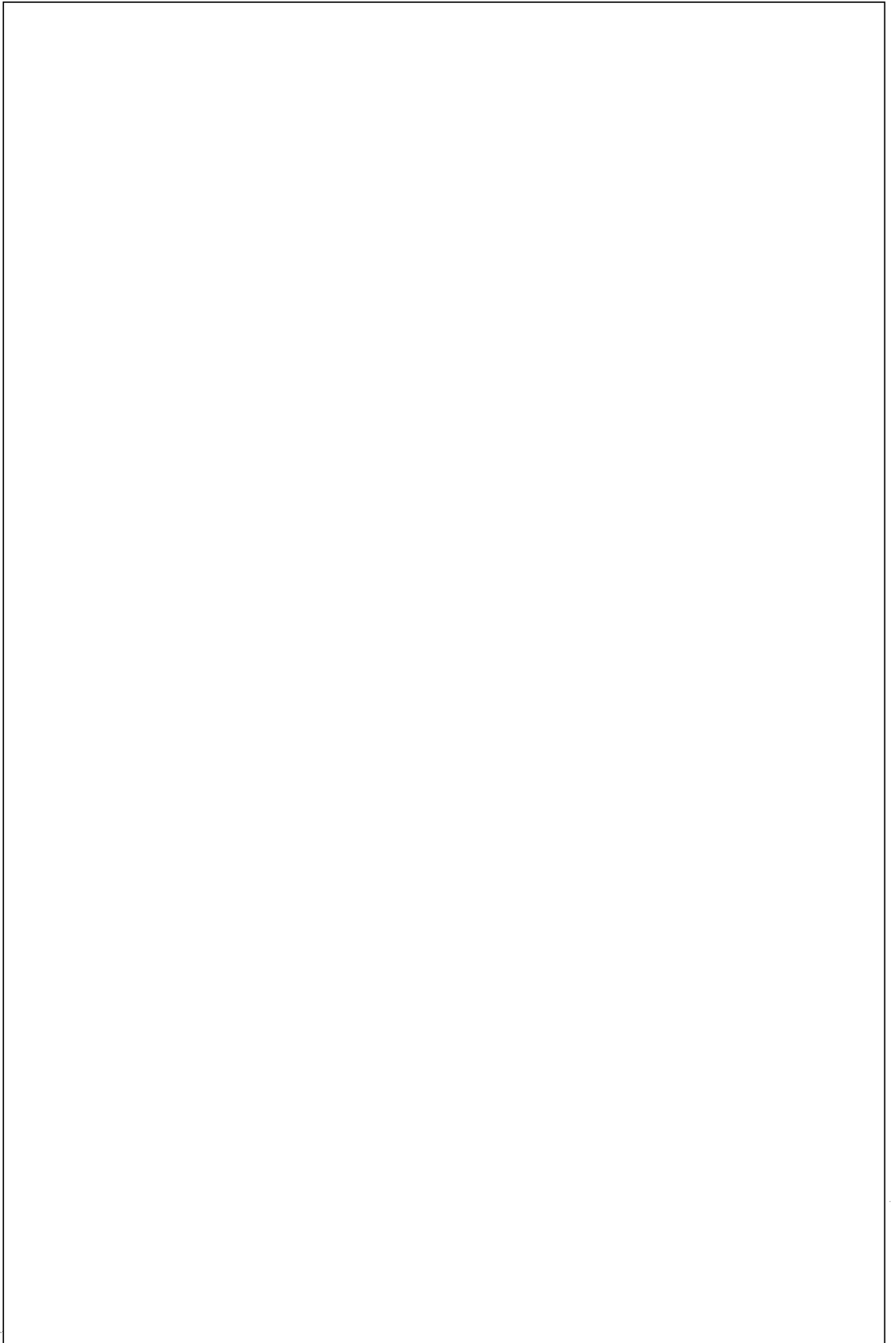


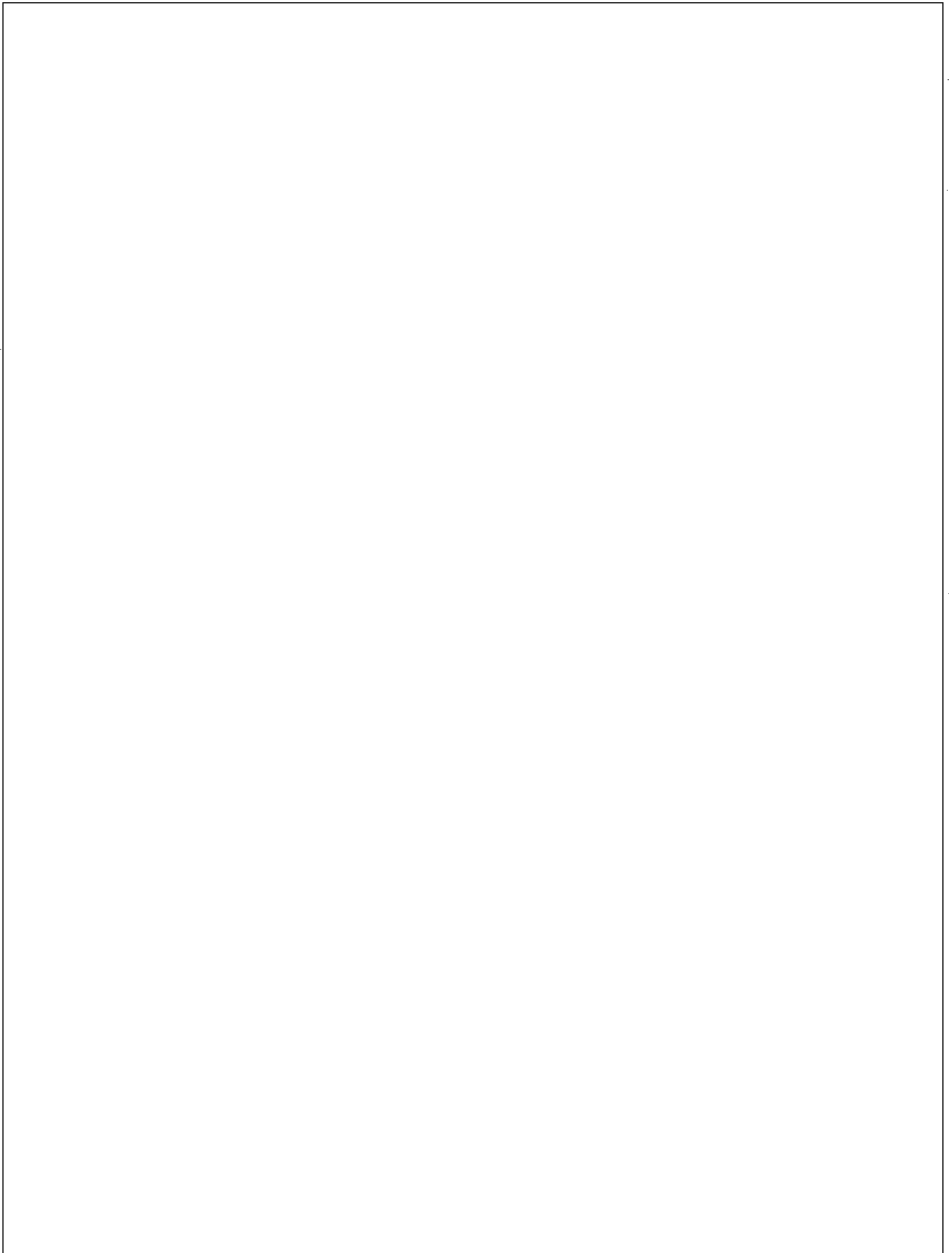
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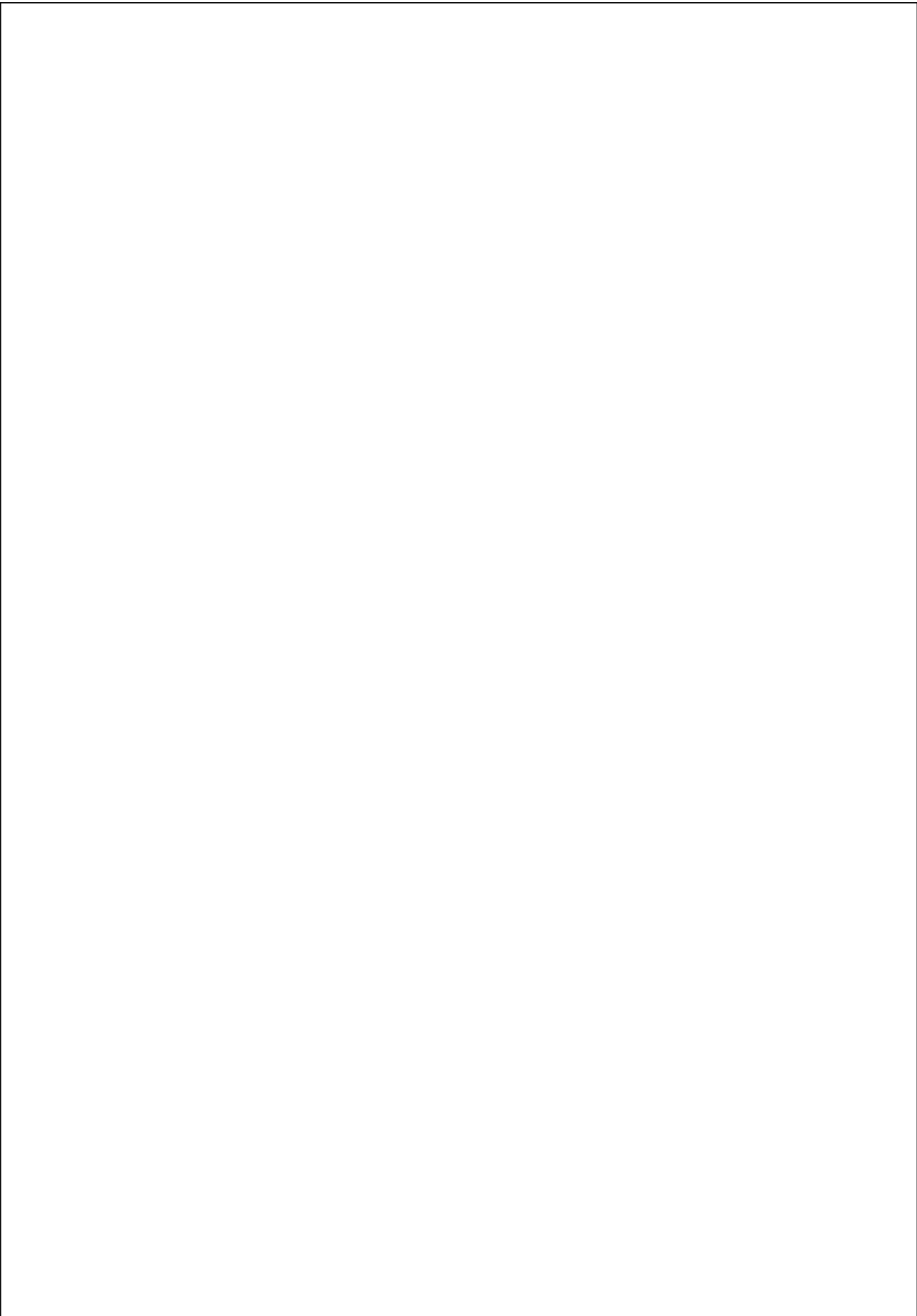
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if the largest Mexican drug organizations become more powerful by gaining  
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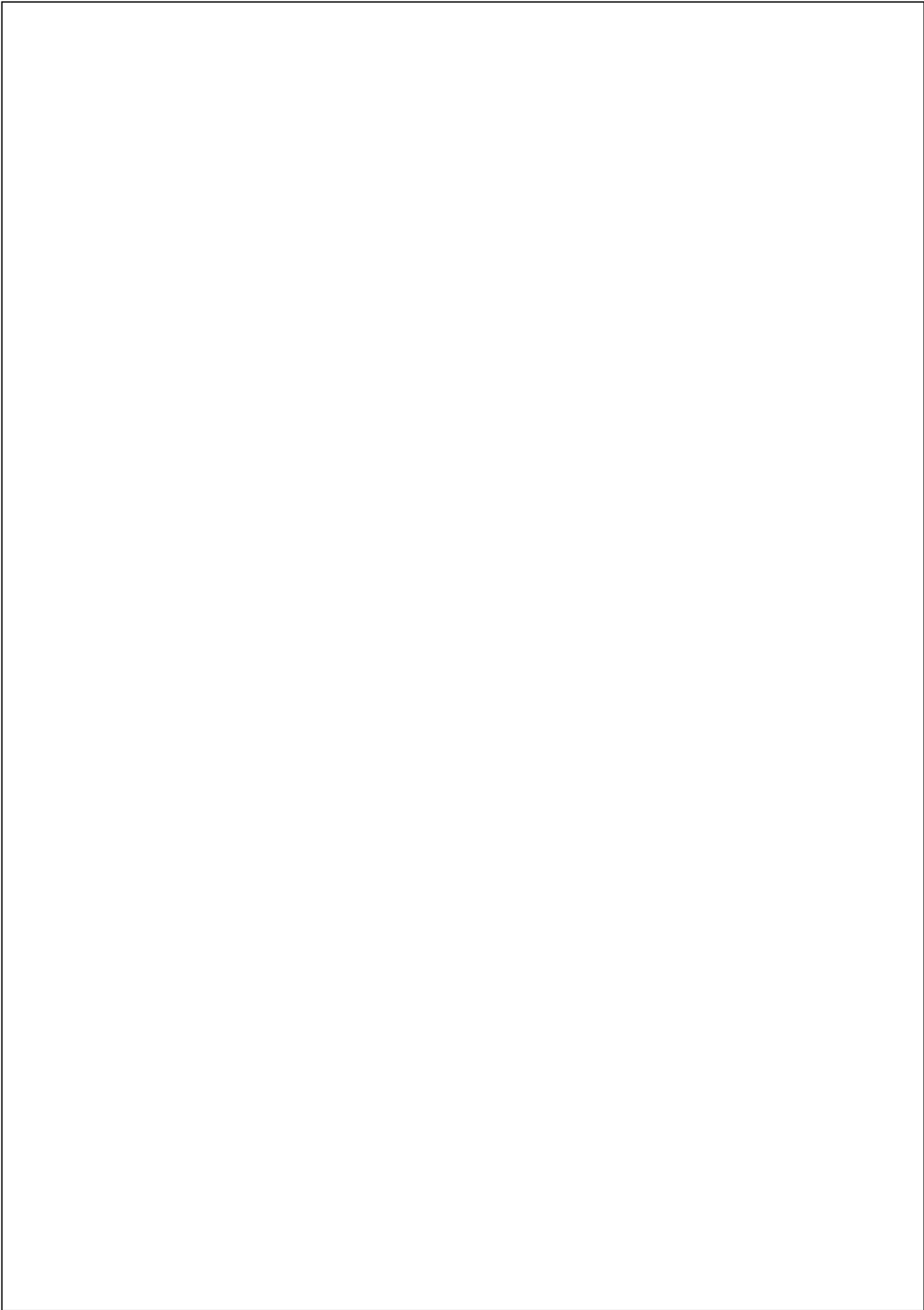
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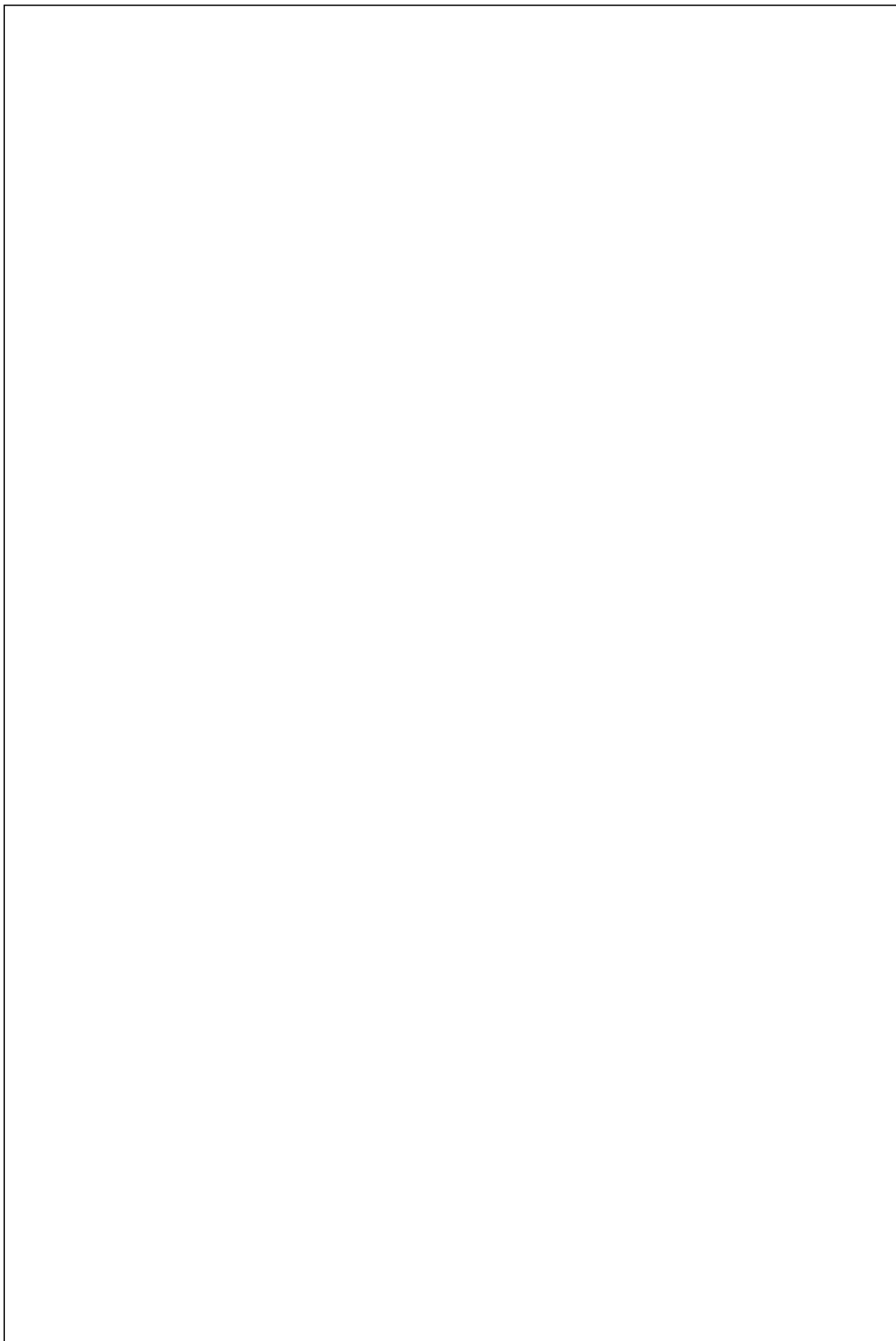


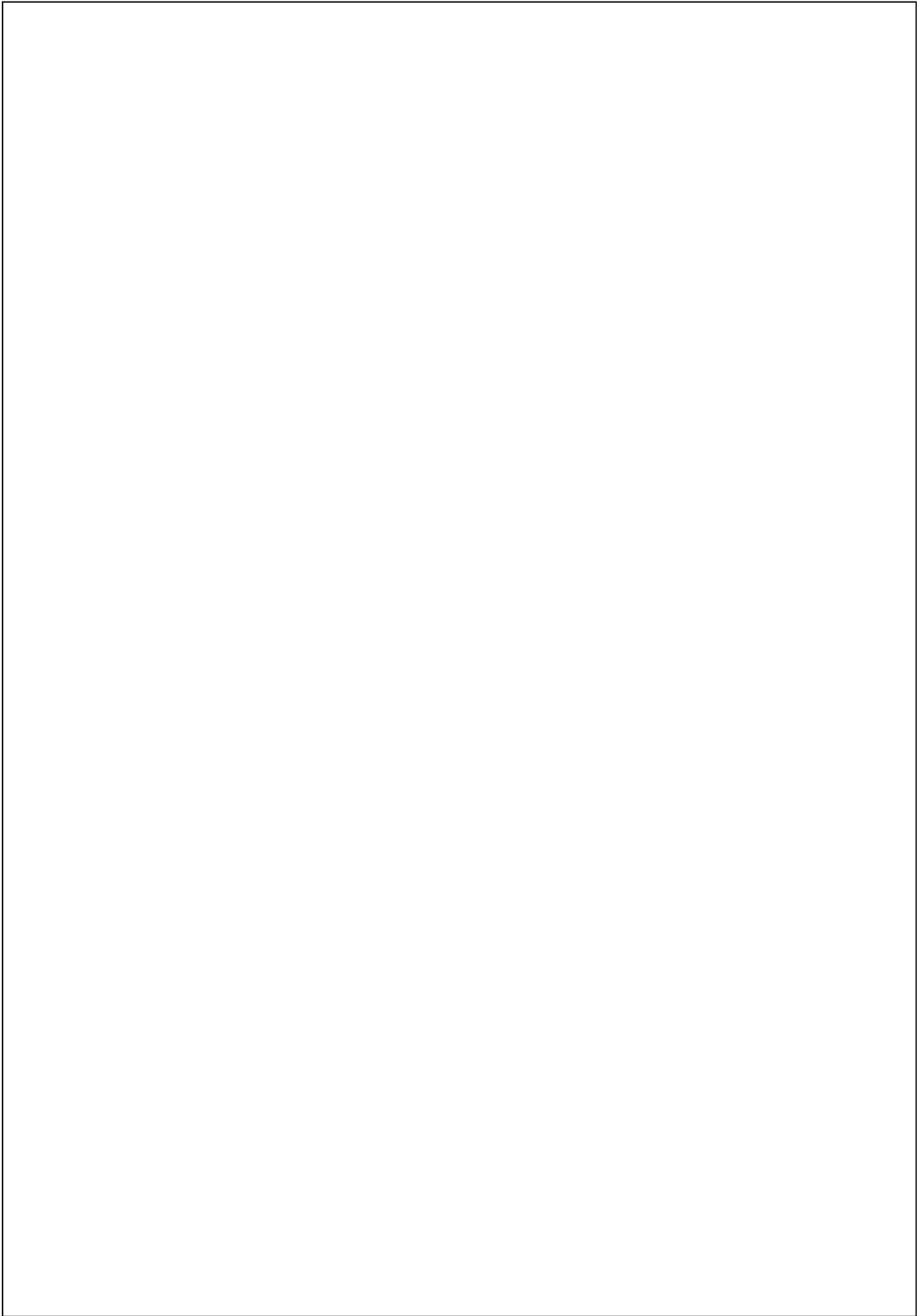


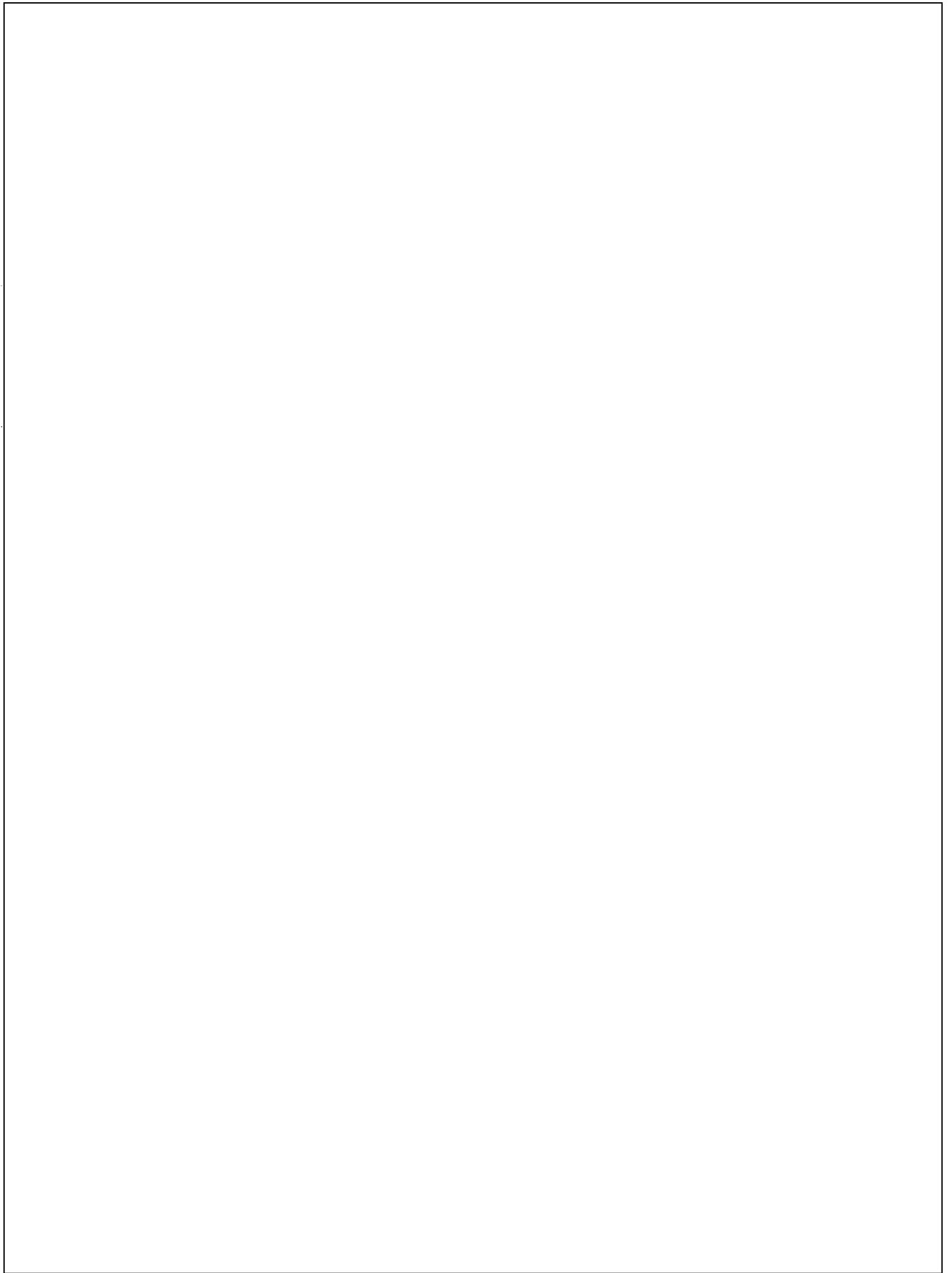




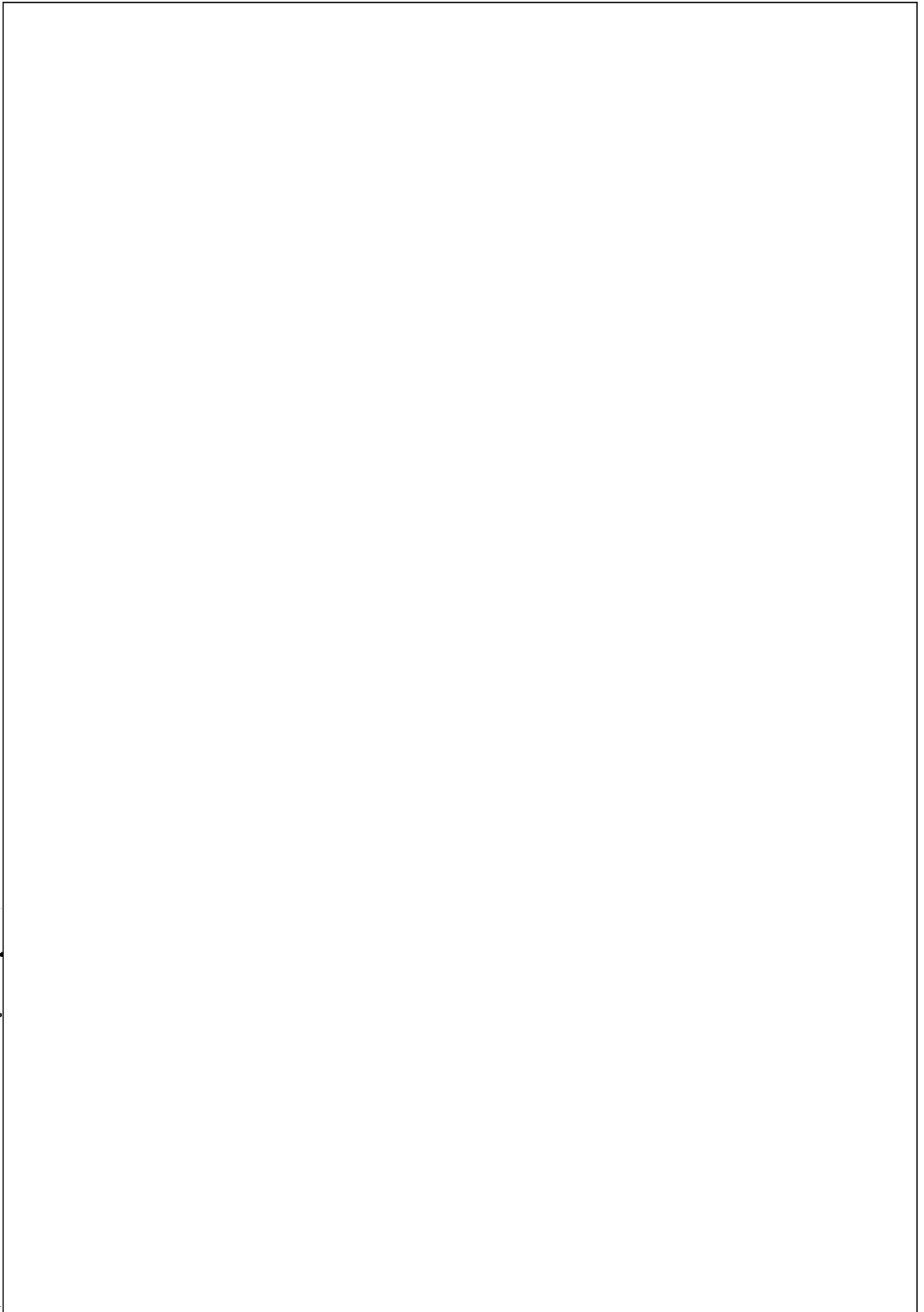


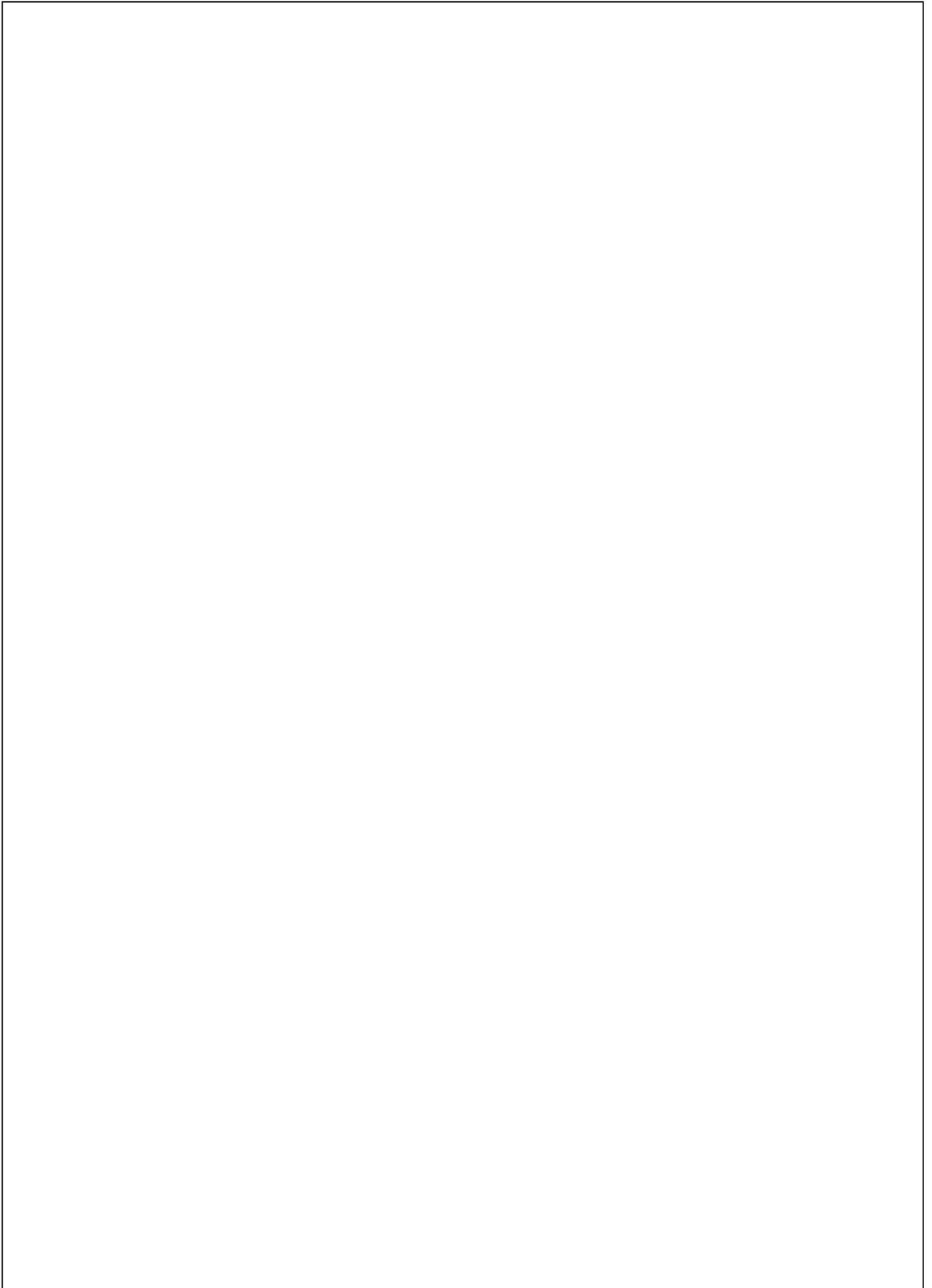




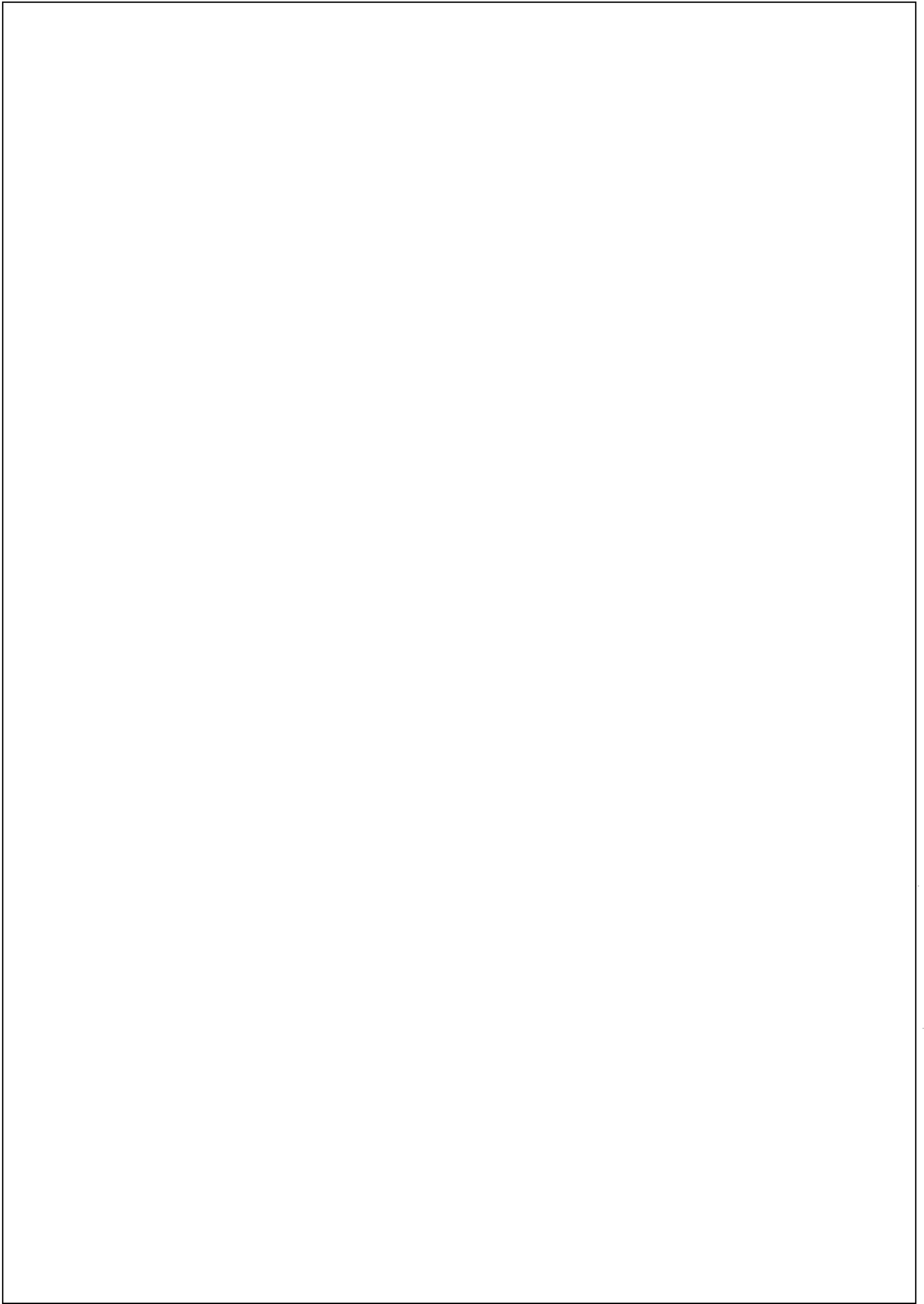


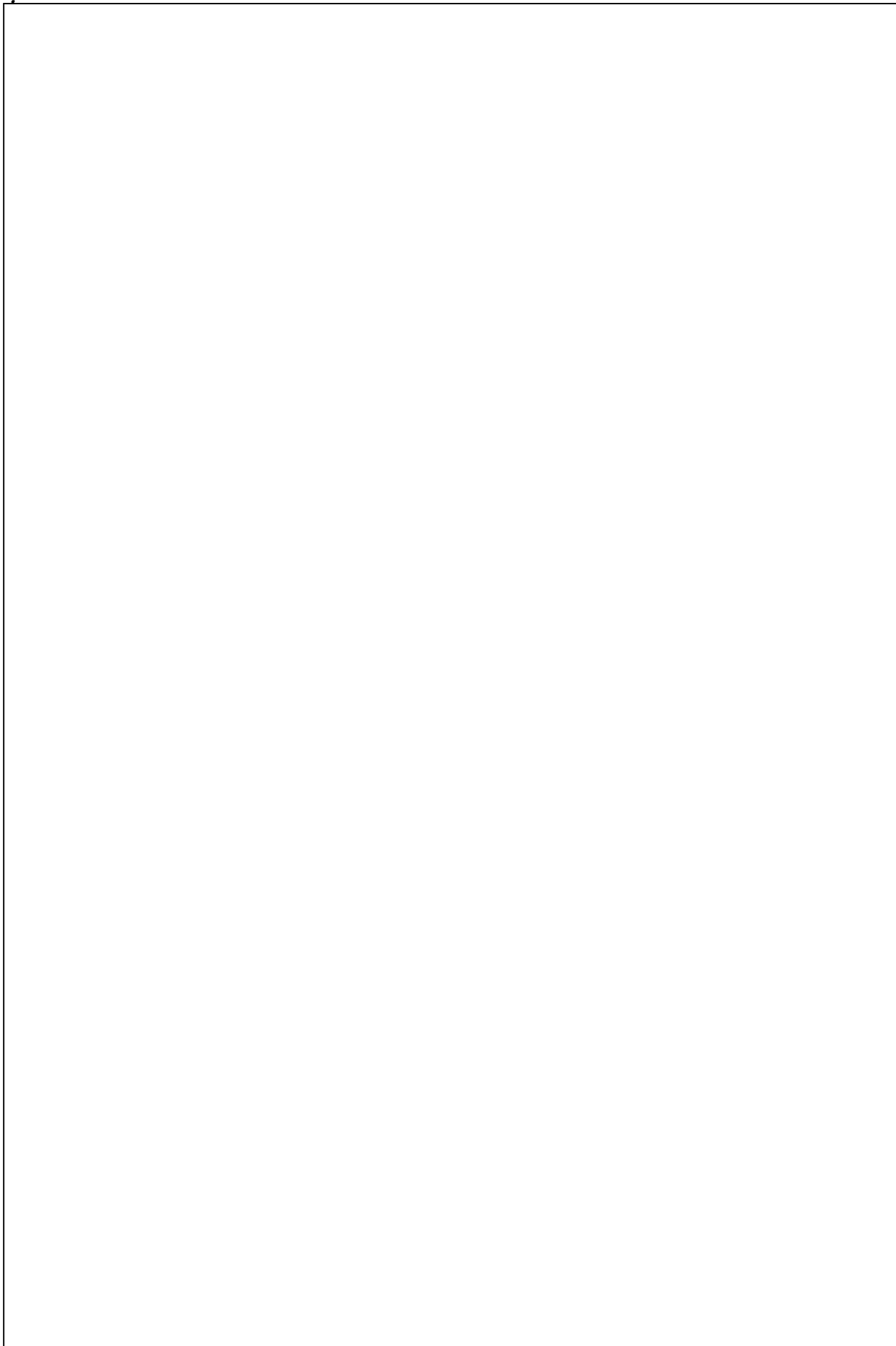












**Highlights**

**Latin America**

**Mexico: Record Methaqualone Seizure (U)**

In early August 1995, Mexican officials seized approximately 2,920 kilograms of bulk methaqualone and 212,710 methaqualone tablets—the largest methaqualone seizure in Mexican history. The dominant trafficker identified behind the shipment is Humberto Rodriguez Banuelos, a top lieutenant in the Mexico-based Arellano Felix organization, which transports cocaine, methamphetamine, and marijuana from Mexico into the United States. Methaqualone is a synthetic sedative hallucinogen that has a high potential for abuse and no current accepted medical use. It was marketed in the United States under various brand names, such as Quaalude and Sopor. Mandrax is a European name for methaqualone in combination with an antihistamine.

