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## **Drug Trafficking Controversy Again Top Issue in U.S.-Mexico Summit**

*by LADB Staff*

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Drug trafficking became a major focus at the annual summit of US and Mexico Cabinet ministers after two newspapers published reports linking a Mexican official and a prominent business family to drug cartels. This is the second consecutive year that a drug-related dispute has played a prominent role in the annual summit. In 1998, Mexican officials used the summit to express their concerns about the Casablanca sting operation, which the US government used to arrest mid-level managers at Mexican banks for participating in money-laundering activities (see SourceMex, 1998-05-27 and 1998-06-17).

The newspaper reports, based on information obtained from US drug agencies, forced the drug issue to the top of the agenda again this year. The only drug-related item scheduled for discussion at the summit, held June 4 in Mexico City, had been a proposal to expand anti-drug cooperation among law-enforcement agencies along the US-Mexico border.

### ***Key presidential aide tied to drug traffickers***

One report, which appeared in The New York Times June 2, said President Ernesto Zedillo's personal secretary Jose Liebano Saenz Ortiz has been under investigation by the Mexican government for nearly a year for using his position to help drug traffickers.

Separately, The Washington Post cited a report compiled by the National Drug Intelligence Center (NDIC) that linked Carlos Hank Gonzalez and his sons, Carlos Hank Rhon and Jorge Hank Rhon, to major Mexican drug organizations. The center, which coordinates investigations by different US government agencies, said Hank and his two sons "pose a significant criminal threat to the United States."

The report on Saenz Ortiz drew particular attention because of his close working relationship with Zedillo. As personal secretary, Saenz Ortiz has duties similar to a chief of staff. The article said Saenz Ortiz had requested the investigation into his rumored connections with drug traffickers to clear his name. The investigation found no evidence of wrongdoing, with Mexican prosecutors attributing the allegations to "second-hand" sources, including several drug traffickers. But US government sources said the investigation failed to convince senior officials in the administration of US President Bill Clinton, particularly Attorney General Janet Reno.

In a press conference, deputy attorney general Eric Holder confirmed that the Clinton administration has expanded its own investigation into Saenz's activities, but would prefer that the Mexican government take a closer look at the case. "Obviously, these are very serious charges, which we hope the Mexican government will investigate more thoroughly," said Holder. Saenz

is also under suspicion by the US Central Intelligence Agency (CIA), which has put him on a list of foreign-government officials who merit special monitoring because of credible allegations of wrongdoing. The CIA said there is some evidence that Saenz has demanded huge bribes from drug cartels in exchange for government protection.

Attorney General Jorge Madrazo Cuellar defended the government's investigation of Saenz, but said Mexican authorities would consider any new evidence presented by the US. "I understand there is an issue of trust here," Madrazo told The New York Times. "But I don't understand how they can trust us on some issues and not on others. When we have the evidence, we act."

### *Separate report links powerful Hank family to drug trade*

The report about the Hank family's involvement in drug trafficking caused as much commotion as the Saenz case. Carlos Hank Gonzalez, an influential member of the Partido Revolucionario Institucional (PRI) who served as Mexico City mayor and agriculture secretary, was one of the chief beneficiaries of the privatization program initiated under former President Miguel de la Madrid and carried on by his successor Carlos Salinas de Gortari. The properties Hank obtained during the privatization include Mexico's huge ocean-shipping company Transportes Maritimos Mexicanos (TMM).

The NDIC said the Hank family has used TMM vessels to transport cocaine into the US and used its financial holdings to launder drug profits. Grupo Interacciones, owned by Carlos Hank Rhon, has controlling interest in Texas-based Laredo National Bank. "[The Hank family's] multibillion-dollar criminal and business empire, developed over several decades, reaches throughout Mexico and into the United States," said the US report, based on information obtained from the Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), the US Customs Service, the CIA, and Interpol.

The Washington Post reported that some of these agencies "intercepted conversations of the Hank family coordinating drug shipments" at TMM, and documented family members meeting with leaders of drug cartels.

A spokesperson for the Hank family said the allegations from the NDIC were mean-spirited and involved "inaccurate information that was being recycled." While the US government has quietly expressed concern about the Saenz and the Hank cases, Clinton administration officials have tried publicly to downplay the reports.

Speaking to reporters at the US-Mexico summit in Mexico City, Clinton's drug-policy chief Barry McCaffrey denied that the administration is investigating Saenz and the Hank family. "I do not have any new information on these cases to present to the Mexican government," said McCaffrey. He noted that US and Mexican officials continued to share intelligence on drug trafficking "on a sensible, need-to-know basis." At the same time, McCaffrey urged the Mexican government to beef up its law-enforcement efforts to combat drug trafficking. "Mexico, by its own evaluation, has to create an investigative service, a federal protective police force, a counter-drug police force, a judicial system that serves its own interests," McCaffrey said.

## *Revelations further erode Mexico's anti-drug image*

The reports could damage administration efforts to portray Mexico as making progress in combating drug trafficking. In the past two years, Clinton faced strong opposition in efforts to convince Congress that Mexico should be certified as an ally in the fight against drug trafficking (see SourceMex, 1998-03-11 and 1999-03-17). The allegations against Saenz and the Hank family are the latest in a string of cases linking government officials and drug traffickers. Some officials like Mexico's former drug enforcement chief Gen. Jesus Gutierrez Rebollo and former Jalisco Gov. Flavio Romero de Velasco are in prison for their connections with drug cartels.

Other prominent figures like former deputy attorney general Mario Ruiz Massieu are being held by foreign governments for laundering drug profits. The Swiss government has accused Raul Salinas de Gortari, brother of former president Carlos Salinas de Gortari, of laundering at least US \$114 million in drug profits through Swiss and European banks (see SourceMex, 1998-10-28). The drug corruption is said to have reached some high-level Cabinet officials. Recently, a former US Customs official accused Defense Secretary Gen. Enrique Cervantes of accepting bribes to protect drug traffickers (see SourceMex, 1999-03-27). Several former governors have also been accused of accepting bribes to protect drug traffickers, including Mario Villanueva of Quintana Roo. Villanueva fled the country shortly before the conclusion of his term (see SourceMex, 1999-04-14).

Former Puebla Gov. Manuel Bartlett Diaz has been accused by US authorities of playing a key role in the assassination of US DEA agent Enrique Camarena while serving as interior secretary in 1995. Bartlett, who is seeking the PRI presidential nomination in 2000, has denied the charges. From Mexico's standpoint, the US government often infringes on Mexico's sovereignty in its efforts to prosecute drug traffickers, particularly in the Casablanca sting operation.

Speaking to reporters a few days before this year's summit, Green urged US authorities to clean up corruption in the US Customs Service and among other law-enforcement officials, who were also responsible for allowing drug shipments to filter into the US. "The US has to tell us exactly what they are doing to combat the drug corruption on their side," Green said before the summit. She was referring to a March 30 report by the US General Accounting Office (GAO), which said that 28 employees of the US Customs Service or the Immigration and Naturalization Service (INS) were convicted for helping drug traffickers.

At the summit, Green expressed outrage about the two articles linking Saenz and the Hank family to drug traffickers and about the timing of the release of the reports. "I am bothered by this strange coincidence on the eve of an important meeting where important agreements may be signed," said Green, who blamed the reports on "anti-Mexican sectors in the US that don't want a better relationship with Mexico." (Sources: The New York Times, The Washington Post, Agence France-Presse, 06/02/99; El Universal, 06/01/99, 06/03/99; The Dallas Morning News, Associated Press, Spanish news service EFE, 06/02/99, 06/03/99; San Antonio Express-News, 06/03/99; La Jornada, El Economista, Novedades, 06/03/99, 06/04/99; Reuters, 06/02/99, 06/03/99, 06/05/99; Notimex, Copley News Service, 06/05/99; San Diego Union Tribune, 06/03/99, 06/06/99; Proceso, 06/06/99; The News, 04/19/99, 06/07/99; Excelsior, 06/03/99, 06/04/99, 06/08/99)

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