

8-31-2011

Fatal Arson at Monterrey Casino Exemplifies Drug-related Violence in Northern Mexico

Carlos Navarro

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

Navarro, Carlos. "Fatal Arson at Monterrey Casino Exemplifies Drug-related Violence in Northern Mexico." (2011).
<https://digitalrepository.unm.edu/sourcemex/5822>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Fatal Arson at Monterrey Casino Exemplifies Drug-related Violence in Northern Mexico

by *Carlos Navarro*

Category/Department: Drug Trafficking and

Published: Wednesday, August 31, 2011

While drug violence has affected all regions of Mexico, the northern states have shouldered a large share of the burden. Tamaulipas, Nuevo León, Coahuila, Durango, and Chihuahua have recently been rocked by extreme violence, as the Zetas drug cartel battles with the Gulf cartel and other rivals for control of the region. The Zetas, considered the most violent of all the cartels, are also using extortion to boost their income. Extortion victims include Central American migrants and their families and business owners. In an incident that rocked Mexico, a violent attack on a casino in Monterrey in late August was attributed to the Zetas. The attack, in which the perpetrators burned down the casino, was apparently directed at the owners but dozens of patrons died in the fire.

Casino attack horrifies Mexican public

On Aug. 26, a group of armed men invaded the Casino Royale in the northern industrial city of Monterrey, spread a flammable liquid throughout the building, and set it on fire. A stampede ensued as patrons attempted to flee the scene, but many died in the process. A security camera captured the harrowing scene, which showed people unable to flee the smoke-filled room. "People were falling down," a witness told the Monterrey-based newspaper. "We couldn't get out through the main entrance because armed men were there."

Authorities said the attack, carried out in broad daylight, claimed the lives of at least 52 patrons, many of whom were women.

"Mexico has witnessed one of the most terrible acts of barbarism in memory," President Felipe Calderón said in the aftermath of the incident as he declared three days of national mourning. "Make no mistake. We are not talking about an accident. We are talking about criminals...true terrorists."

After viewing several videotapes taken at the casino and nearby locations, authorities moved to arrest five men. Nuevo León Gov. Rodrigo Medina said police are looking for another seven who appear to have participated in the operation. The men were either members of the Zetas or hired by the drug cartel to carry out the attack. One of the five detained suspects confessed that the attack was in response to the casino owners' refusal to pay protection money.

"The attack was aimed at the casino, not the civilian population," Medina said in a news conference, suggesting that the assailants may not have intended to kill so many people.

Witnesses and some of the suspects said the original plan was to empty out the casino before setting it on fire, but the operation got out of hand. Video footage shows that some patrons were able to leave, but others were unable to exit the building before the suspects set the fire.

Casinos are growing in popularity and numbers in Mexico, making them tempting targets of extortion and money laundering for criminal organizations. Authorities in Nuevo León are

investigating whether individuals with ties to public officials might be implicated in the case, including Manuel Jonás Larrazabal, brother of Monterrey Mayor Fernando Larrazabal.

Authorities said they have footage of Manuel Jonás Larrazabal receiving "large sums" of money during visits to several casinos. "We cannot ignore any line of investigation," said the Procuraduría General de Justicia de Nuevo León (PGJNL).

The allegations prompted Mayor Fernando Larrazabal to issue a statement distancing himself from his brother. "None of the activities of my brother Jonás have anything to do with my municipal administration," the Monterrey mayor told a press conference.

In an interview on Milenio Televisión, state public safety director Jorge Domene Zambrano said the interrogation of the five suspects arrested in the case left no doubt that the arson was ordered by an official of the Zetas who lives in Monterrey. "He is one of the chiefs of the local group of the Zetas," said Domene.

Restaurants and other businesses have also been targets of extortion by drug cartels. Less than a week after the attack in Monterrey, a group of armed men burned down the restaurant Mariscos Valcor in Chihuahua City. "Apparently, the owner refused to continue paying his protection fee," said the Mexico City daily newspaper .

Burning businesses for nonpayment of protection fees is common in northern states. Authorities report at least 100 establishments have been burned down in Chihuahua state in recent months, the majority in Ciudad Juárez. "The Consejo Coordinador Empresarial de Ciudad Juárez estimates that 90% of the businesses in that city are extortion victims," said the Coahuila-based daily newspaper .

But arson for nonpayment of protection fees is fairly widespread. Authorities reported several cases this year in the states of Durango, Chihuahua, Sinaloa, Sonora, Tamaulipas, Morelos, Guerrero, and Coahuila.

A start of a more violent trend?

The arson attack on the Casino Royale was one of Mexico's deadliest cases of drug-related violence involving innocent bystanders. A previous attack on bystanders occurred in September 2008 in the main plaza of Morelia, in Michoacán state, when a grenade was hurled into a crowd during an Independence Day celebration. The attack, which claimed the lives of eight people, was thought to be the work of the regional drug cartel La Familia ([SourceMex, Sept. 24, 2008](#)).

Most other violent drug-related attacks in Mexico have been targeted, including the kidnapping, intimidation, and murder of journalists ([SourceMex, Aug. 3, 2011](#)) and public officials ([Sept. 29, 2010](#)). The Zetas are accused of executing dozens of Central American and Mexican migrants when the victims or their relatives would not cooperate in extortion schemes ([SourceMex, Sept. 8, 2010](#)) and ([April 13, 2011](#)).

Some analysts believe that the casino attack might be the start of a bold trend by the criminal organizations, particularly the Zetas. "This is one of the worst expressions of violence against civilians," said Erubiel Tirado, a security expert at Universidad Iberoamericana in Mexico City.

"I think this is the beginning of a new era of violence attached to organized crime in Mexico," Alejandro Shtulmann, head of research at Emerging Markets Political Risk Analysis (EMPRA)

in Mexico City, told "The fact is once you escalate the level of violence, all groups that see the threshold being removed start using similar attacks."

The timing of the attack magnifies its impact on the psyche of the Mexican public because it came a week after a shootout between the Mexican Army and a group of drug traffickers just outside Estadio Corona soccer stadium in Torreón, Coahuila state. The shooting, which occurred while a game was in progress, caused panic among fans and led many spectators to scramble to hide under benches.

The Casino Royale attack is the latest in a string of violent drug-related incidents that have rocked Monterrey in recent years. Nuevo León authorities reported more than 670 drug-related murders in 2010, many in the Monterrey metropolitan area, which consists of nine municipalities. The violence has continued into 2011, with 118 murders reported statewide between January and mid-February.

Authorities said much of the recent violence in Monterrey appears to be the result of an all-out war between the Zetas and the Gulf cartel ([SourceMex, March 2, 2011](#)). This conflict was evident in July of this year, when a group 15 gunmen, thought to be associated with the Gulf cartel, stormed the Sabino Gordo nightclub, a known hangout for the Zetas. The perpetrators apparently took eight people from the bar and killed another 20.

Some analysts see an inevitable drop in tourism in Monterrey following the Casino Royale incident. In an interview a few days after the attack, Armando Uribe Valle, president of the Asociación Mexicana de Hoteles y Moteles (AMHM), predicted a decline of as much as 5% in the tourism sector in Monterrey. The largest decline, said Uribe, would be in the number of visitors who travel to that industrial city for business purposes. Monterrey accounts for 12% of all business-related tourism.

Cartel activity depresses real-estate values

The activities of the drug cartels have had other negative effects on residents in the north and in some south-central states. In a series of special reports, *Excélsior* said real estate values have plummeted in five states—Chihuahua, Nuevo León, Tamaulipas, Michoacán, and Guerrero—because of drug-cartel activities. In some instances, the cartels seize the properties to use for their operations. But in most cases, residents simply flee and abandon their homes and businesses or sell them at much-below-market rates.

The articles, which quoted real estate agencies, said property values have fallen as much as 80% in some cases. "The impact of organized crime is very high, as many families prefer to sell their properties at a discount rather than have to continue paying a protection fee to criminal organizations," real estate companies told *Excélsior*. "In some instances, they simply ceded the properties to groups of delinquents working with the drug traffickers."

The situation is especially bad in communities along the border with the US, including the metropolitan areas of Nuevo Laredo and Ciudad Juárez, particularly Juárez and the nearby communities of Puerto Palomas, El Berrendo, Ojinaga, and San Jerónimo, which have become battlegrounds for the Pacific or Sinaloa cartel, the Juárez cartel, and the Zetas.

Estimates provided by government agencies on the number of homes that have been abandoned in the state of Chihuahua vary widely. The Procuraduría General de la República (PGR) has the low estimate at about 10,000, but the government statistics agency (Instituto Nacional de Estadística y Geografía, INEGI) suggests the total has surpassed 93,700.

The situation is similar in Tamaulipas, where tens of thousands of homes have been abandoned. Again, the estimates vary widely, with the PGR putting the number at 30,000, but INEGI putting the total at almost 212,000 units. One estimate put the number of abandoned homes in Nuevo Laredo at about 25,000.

Tamaulipas, a battleground between the Gulf cartel and the Zetas, has also seen commercial real estate values plummet. For example, many large hotels of at least 1,000 sq m are for sale at below-market value, some in the city of Tampico. "On one day, at least 10 hotels were listed for sale in that state," said .

The decision of citizens to abandon homes is having negative consequences on public revenues in some municipalities. In Nuevo Laredo, residents are about 75 million pesos (US\$6 million) in arrears in payments of water bills at homes that were abandoned.

In some states, homeowners are also the victims of extortion, and their homes are burned down if they do not pay protection fees. The states where this type of arson has been most prevalent are Durango, Tamaulipas, Chihuahua, Sinaloa, Sonora, Morelos, Guerrero, Coahuila, and Veracruz.

"The PGR has information that some homes that have been torched are the result of retaliation by criminal gangs, not only to demonstrate the power of the organization but also to intimidate communities so they don't provide information [to authorities] about their drug operations," said .

The sharp decline in real estate values is not limited to the north. Michoacán, in central Mexico, is one of the states that has suffered the greatest depreciation in property values because of drug activity. The drug cartel La Familia and its offshoot Los Caballeros Templarios (Knights Templar) are the dominant drug-trafficking organizations in Michoacán. "One can find homes, warehouses, and even ranches with mango, avocado, guava, and peach groves listed at as much as 80% below market value," said .

For example, one property for sale at a low price in Michoacán was a ranch with an area of 32,000 sq m and a grove of 1,500 avocado trees. The facility has running water, natural gas, indoor and outdoor heating, and two large rain barrels. This type of property would normally fetch about 7 million pesos (US\$567,000), but the initial offer has been set at 2 million pesos (US\$162,000) or 1.5 million pesos (US\$121,000) if the buyer pays in cash. [Peso-dollar conversions in this article are based on the Interbank rate in effect on Aug. 31, 2011, reported at 12.34 pesos per US\$1.00.]

-- End --