

Medellín cocaine cartel loses top agent in Mexico

by Our Special Correspondent

In the early morning hours of April 8, a heavy deployment of forces from both the Mexican Army and the Attorney General's office succeeded in capturing one Miguel Angel Félix Gallardo, in the city of Guadalajara, Jalisco. Gallardo is considered the most important drug trafficker in Mexico, as well as the leading Mexican agent of the Medellín, Colombia-based cocaine cartel. His arrest, along with a massive raid of his networks and bases of operation across Mexico, is a setback to the infamous Colombia-Mexico-U.S. cocaine route, but halting it permanently will require economic and political changes on a far vaster scale than the Salinas government of Mexico appears prepared to make.

In a parallel April 8 deployment in the city of Culiacán, capital of Sinaloa state, the Mexican Army arrested 600 members of both the state Judicial Police and the local city police, and also detained the heads of both agencies along with the Attorney General's anti-drug director in that state—all accused of being paid informants of Félix Gallardo. Troops also raided various properties belonging to Gallardo in that city, where he has resided for many years. Those properties included homes, hotels, shopping centers, and ranches. Unofficial estimates by the Attorney General's office are that Félix Gallardo is worth at least \$500 million.

The arrest of Gallardo and his closest accomplices is one of the most dramatic triumphs yet achieved by anti-drug authorities in Mexico, and represents a severe blow to the violent process of "Colombianization" into which Mexico has been sliding. It is no secret that the drug traffickers have declared total war against Mexican law enforcement, with the Mexican Army their new target, and it was this fact which apparently led the nation's military and judicial authorities to unleash the offensive which led to Gallardo's April 8 capture.

Félix Gallardo and the Medellín Cartel

Félix Gallardo won notoriety internationally in 1985, when it was learned that he was the mastermind of the brutal murders of DEA agent Enrique Camarena and his Mexican pilot, Alfredo Zavala, both of whom had been hot on the trail of the Colombian cocaine connection into Mexico. The DEA learned that the Colombian cocaine trade was conducted through an "administrative council" whose president was Félix Gallardo and the Honduran-Lebanese trafficker Juan Ramón Matta Ballesteros, who fled Mexico after the Camarena assassination and was later jailed in the United States. According to the testimony of one Hugo Denere, a high-level

figure in the Félix Gallardo organization, Gallardo and company shipped 16 tons of cocaine into the United States during the period of March through December 1984 alone! The Gallardo organization was, in fact, in charge of nearly the entirety of the Colombian cocaine flow through Mexico into the United States.

Both Félix Gallardo and Matta Ballesteros are the third generation of the same heroin, marijuana, and cocaine trafficking network founded by Alberto Sicilia Falcón, currently a prisoner in Mexico. Sicilia Falcón is a former CIA agent, a Cuban-American who had worked for the CIA's Operation Mongoose in the late seventies, which had targeted Fidel Castro for assassination. Matta and Gallardo came into their own when Falcón put them in contact with Colombia's dope kings.

It was Gallardo, for example, who forged the deal whereby the Medellín Cartel of cocaine traffickers, represented by Matta Ballesteros, could carry out their operations in Mexico. To strike such a deal, Gallardo drew extensively on his wide-ranging political and financial contacts inside Mexico. The national press commented, in the aftermath of Gallardo's arrest, that he was closely tied to two former governors of Sinaloa state, Leopoldo Sánchez Celis and Antonio Toledo Corro. The state of Sinaloa was where the drug trade first took off on an international scale, during the era of Meyer Lansky in the "golden thirties."

Gallardo began as a bodyguard to Sánchez Celis, and was godfather to one of his sons. Various newspapers and magazines have published photographs showing the two side-by-side, even after Gallardo was being hunted by the authorities. In the case of Toledo Corro, the drug mafia had a free hand during his 1980-86 administration to assassinate at will and run the state as if it were its own private fiefdom.

On the financial front, Gallardo had the collaboration of several banks, among them Banpacífico, owned until 1982 by Arcadio Valenzuela. Until 1979, Gallardo's former treasurer Tomás Valle Corral was a leading Banpacífico executive and a trusted associate of Valenzuela's. Through such contacts, Banpacífico experienced dramatic growth which launched Valenzuela into national politics. In 1980, he was named president of the Mexican Bankers Association, an organization which included the heads of all the private banks of the country. Valenzuela also became the state of Jalisco's most aggressive financier, involving himself in the development of Puerto Vallarta as a major tourist center and making

massive real estate investments in the city of Guadalajara. In this, he had the help of the then governor of Jalisco, Flavio Romero de Velasco (1976-82), during the same period in which Sinaloa's traffickers—among them Gallardo—were establishing their general headquarters in the state. In April 1985, the former head of Romero de Velasco's team of bodyguards was arrested in Puerto Vallarta, together with mafia bigshot Ernesto Fonseca Carrillo, who participated in the Camarena assassination. Fonseca was Félix Gallardo's man.

The ties between Arcadio Valenzuela and the Gallardo organization were further exposed when, in June 1985, Mexico's anti-narcotics police chief Florentino Venture arrested Guadalajara businessmen Enrique and Jorge Cordero Stauffer, for laundering the dirty money of Rafael Caro Quintero, the Gallardo organization man who was directly responsible for the Camarena assassination. It became public that the Cordero Stauffer brothers were friends and partners of Valenzuela. Further, Gallardo held investments in Plaza Mexico, the enormous and costly shopping mall in the very center of Guadalajara, constructed and owned by none other than Arcadio Valenzuela.

Had Mexican authorities not moved decisively against Félix Gallardo and his organization, the country would have fallen into the hands of the Colombian cocaine cartels in short order. It is an open secret that the Gallardo/Colombian network operated with virtual impunity during the 1982-88 administration of President Miguel de la Madrid, whose internal security forces were massively corrupted by the drug traffickers, as proven on numerous occasions.

Beyond Félix Gallardo

While the Gallardo arrest has delivered—for the moment—a blow to the Colombian cocaine-trafficking route through Mexico, the reality remains that it is the debt-induced economic depression in Mexico which has led thousands of Mexicans to devote themselves to the cultivation and trafficking of drugs throughout the country. There is not a city anywhere in Mexico in which drug trafficking is not the number one cause of criminal activity. Sixty percent of the country's prisoners are accused of drug-related crimes, and the jails are already filled to overflowing.

At the same time, the country's agricultural producers have been bankrupted by policies—dictated by the International Monetary Fund and imposed by the Mexican government—of not giving remunerative price guarantees for wheat, corn, bean, and other basic crops. According to the testimony of anti-drug police and soldiers, they are frequently forced into combat with peasants who have rented their lands to the drug traffickers, or who receive seeds, irrigation systems, weapons, and dollars to raise—and protect—marijuana and poppy crops. This is the economic reality behind the internal production of drugs in Mexico, as elsewhere.

In addition, Mexico's financial and banking system offers enormous opportunities for the laundering of drug money.

The interest rates offered for deposits in the national currency are already above 40% a year. Further, there are no banking regulations which require certain large depositors to explain the origins of their funds. In fact, the Mexican stock exchanges reward those agents who garner the largest investments, no matter the source of the capital. The banks operate on the same principle.

Gallardo and the French Connection in Mexico

The arrest of Miguel Félix Gallardo was the culmination of a highly successful action against the cocaine trafficking network in Mexico run by the Medellín Cartel, but the ramifications will also be felt by that organization known as the French Connection which, it appears, is in on a deal with the Colombian bosses for the world distribution and sale of cocaine.

This arrangement came to light last Feb. 18, during the arrest in Ciudad Juárez of Italian citizen Giuseppe Catania Ponsiglioni, who was charged with responsibility for the huge Medellín Cartel cocaine shipments entering the United States via Ciudad Juárez-El Paso, Texas. The shipments were run on the Colombian end through a retired major of the Colombian Army named Ariza, and were backed by one Fernando González in Panama. In Mexico, Catania negotiated the cocaine's transfer to the United States through a group of drug traffickers run by Gilberto Ontiveros, one of Félix Gallardo's partners.

Catania represented the interests of the French Connection heroin ring. In 1973, he was arrested in New York when the U.S. police destroyed an important network of the French mobsters. Catania moved to Mexico in 1980, where he passed himself off as a prosperous businessman.

His February arrest in Mexico was accomplished thanks to the collaboration of the French police, who sent information about his presence in Mexico. That information had initially led to the June 1988 arrest of three members of the French Connection in Mexico—Jean Claude Kella, and Jean and François Orsini, all from Corsica. The three Corsicans were part of a larger European-wide organization run by Belgian Francis Vanderbergue, who was arrested in Brussels on March 30, 1988. Like Catania, Kella arrived in Mexico in 1980. His arrest resulted from the confessions of heroin trafficker François Spula, arrested in Switzerland in May 1986.