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# U.S. CUSTOMS

BEATEN AT THE BORDER



*Stories by* **MIKE GALLAGHER**

*Photographs by* **RICHARD PIPES**

*Of the Albuquerque Journal*

# CARTEL CHIEF MAKES MONEY U.S. EVEN WHEN HE LOSES

## Customs at a glance

### MISSION

The U.S. Customs Service is the primary border enforcement agency and major revenue collector of tariffs. Its role consists of:

- Regulating the movement of carriers, people and commodities between the United States and other nations.
- Protecting American consumers and industry against unfair competition from foreign manufacturers.
- Protecting against the importation of hazardous and environmentally dangerous products.
- Collecting tariffs, duties and fees from traffic and trade with foreign nations.
- Intercepting and investigating smuggling of narcotics and contraband into the United States, illegal transfers of critical technology to foreign governments, fraudulent financial activities designed to avoid paying tariffs and taxes, and illegal arms trafficking.

**A** mado Carrillo Fuentes has the unrelenting economics of cocaine on his side.

The simple fact is that cocaine is worth so much more in the United States than Mexico, that Carrillo can lose load after load and still come out ahead.

A kilogram lost at the Mexican border costs smugglers about \$5,000. But once it is safely in the United States, its wholesale value jumps to around \$20,000.

Last year, the Customs Service in the El Paso district, which extends from West Texas to the New Mexico-Arizona border, seized 15,000 pounds — or almost 7,000 kilograms — of cocaine worth \$140 million.

Most of it belonged to Carrillo's organization and was seized at Border Patrol checkpoints on U.S. interstates. None was seized from commercial bulk cargo shipments.

While 15,000 pounds may sound like a lot, it represented less than 7 percent of the cocaine Carrillo's organization smuggled into the country last year.

When one of his port runners abandoned a car with a trunkload of 150 kilograms, Carrillo's organization lost \$750,000 worth of cocaine.

But every load that got in was worth at least \$3 million wholesale.

George McNenney, special agent in charge of the El Paso office, said seizures will have little impact unless agents can attack the financial

base of the Mexican smuggling cartels.

"That financial base has to be our target," he said.

But financial investigations are difficult, time consuming and unpopular.

Customs managed to seize \$30 million in drug profits last year from another narcotics organization run by Juan Garcia Abrego.

Abrego was laundering his drug profits through a California bank.

But agents believe that more than \$120 million in drug profits flowed through the bank into Mexico before the multiyear financial investigation was completed and the \$30 million seized.

If the Customs Service estimate that Carrillo successfully smuggled 100 tons of cocaine into the United States is correct, the wholesale value of those shipments would be about \$3 billion. The street value is more than ten times that.

And Carrillo doesn't even pay cash.

Members of the Cali Cartel in Colombia pay his organization 40 percent to 50 percent of each 10,000 kilogram load sent to Mexico.

Carrillo's job is to deliver the cocaine to distributors in the United States. Any cocaine lost to Customs comes out of Carrillo's share.



CARRILLO:  
Leader of successful Juarez Cartel

## Bureaucracy, Workload Undermine Agency, Critics Say

**S**ome agents say Customs has so many jobs it does nothing well.

It is part of the Department of Treasury and has primary responsibility for stopping drugs at the nation's borders. But at the same time, it facilitates trade, collects tariffs and moves thousands of people through ports of entry every day.

Customs is second to the Internal Revenue Service in collection of government revenues — more than \$20 billion in tariffs and fees each year.

Critics say that unlike any other federal law enforcement agency, Customs is half law enforcement and half regulatory.

Its various chains of command and working procedures can be unwieldy.

For example, special agents in charge are part of the Customs' Office of Investigations.

They are responsible for coordinating drug intelligence and interdiction in both civil and criminal matters.

They deal with the Customs Air Branch on air-smuggling investigations. But the Air Branch, which has about 1,000 pilots, air enforcement officers and other employees, has its own separate chain of command to Washington.

If an enforcement officer from the Air Branch wants to conduct more than a preliminary air-smuggling investigation, it must be supervised by a special agent from the Office of Investigations. Yet the special agent has no authority over the air enforcement officer.

Other investigations must be coordinated with port directors, who have duties other than stopping drugs.

Port directors have responsibility for moving

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## Customs at a glance

### BUDGET

\$1.5 billion recommended for this year

### EMPLOYEES

17,500

### REVENUES COLLECTED

Estimated at \$20 billion

### DRUG SEIZURES

■ Cocaine — 2,182 seizures of 175,318 pounds in fiscal 1993; 958 seizures of 75,128 pounds in the first six months of fiscal 1994.

■ Marijuana — 10,961 seizures of 507,249 pounds in fiscal 1993; 3,833 seizures of 257,704 pounds in the first six months of fiscal 1994.

■ Heroin — 1,010 seizures of 2,995 pounds in fiscal 1993; 380 seizures of 787 pounds in the first six months of fiscal 1994.

### CRIMINAL CASES IN N.M.

■ Customs submits an average of 150 criminal cases a year to the U.S. Attorney's Office in New Mexico for prosecution.

Customs seizures includes all seizures in which Customs officers participated, including cases in which other agencies participated.

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people and goods across the border. They coordinate with the Immigration and Naturalization Service, an entirely different agency, which shares responsibility for monitoring passenger and pedestrian traffic into the United States.

And port directors report in a third, entirely different, chain of command.

"I can spend more time trying to coordinate a criminal case within my own agency than it takes to just go out and make the arrest with a couple of local cops," one special agent in charge said in an interview.

### Protecting territory

There are 17,000 Customs employees, but fewer than 3,000 are agents. They also investigate foreign trade violations — civil and criminal — involving imports and exports.

Another 9,000 employees are inspectors at land, sea and air ports of entry.

Customs agents are limited to investigating international narcotics smuggling and money laundering unless they are "cross designated" by the Justice Department.

About half the Customs agents have that designation, meaning they can investigate illicit domestic drug transactions with the case-by-case approval of the Drug Enforcement Administration — a branch of the Justice Department.

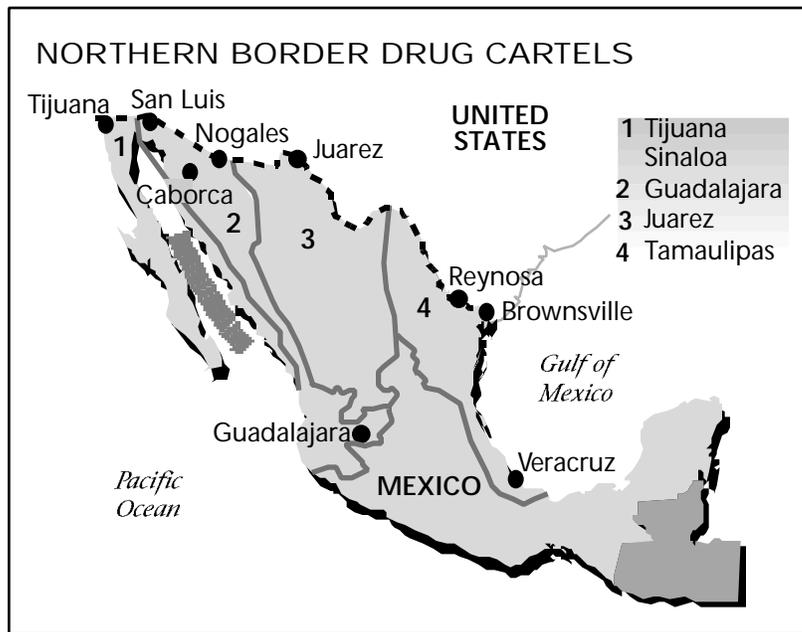
Customs unsuccessfully has sought to have all 3,000 agents in the Office of Investigations cross-designated, but the Justice Department has refused.

One reason is to protect the "turf" of the DEA, according to sources in both the Justice Department and Customs.

Another is the Justice Department has no supervisory control over Customs agents, even though Justice Department lawyers are called upon to defend the actions of Customs agents who are sued.

In one such lawsuit in New Mexico, heavily armed Customs agents stormed a house in Carlsbad to search for drugs.

Dawn and Steve Ward had rented the house from a man later convicted of narcotics possession and agents wanted to serve court papers to seize the house.



Instead of nailing the papers to the front door, Customs agents raided the house and evicted the family at gunpoint. No charges were filed against the Wards.

Although a federal appeals court found the raid to be "an obvious constitutional violation," the Ward family's lawsuit subsequently was thrown out on a legal technicality — they were unable to physically serve the Customs agents involved with copies of the lawsuit within the time limits set by federal court rules.

The case is on appeal.

In 1994, the Justice Department paid a San Diego man \$2.5 million to settle a lawsuit after the man was severely wounded by Customs agents during a late-night drug raid.

The search warrant was based on information from a discredited informant, who later was convicted of providing false information to Customs agents, according to the National Law Journal.

### Legal spats

The turf battle between Customs and DEA can lead to legal trouble.

Earlier this year, the federal government paid almost \$900,000 to six men who were caught up in an international sting operation run by the DEA.

The men were involved unknowingly in a DEA-sponsored delivery of 45 kilograms of cocaine that was headed to Miami by way of Honduras. The case began as a Customs investigation, but DEA agents took over when DEA refused to allow Customs to participate in the Central American end of the investigation.

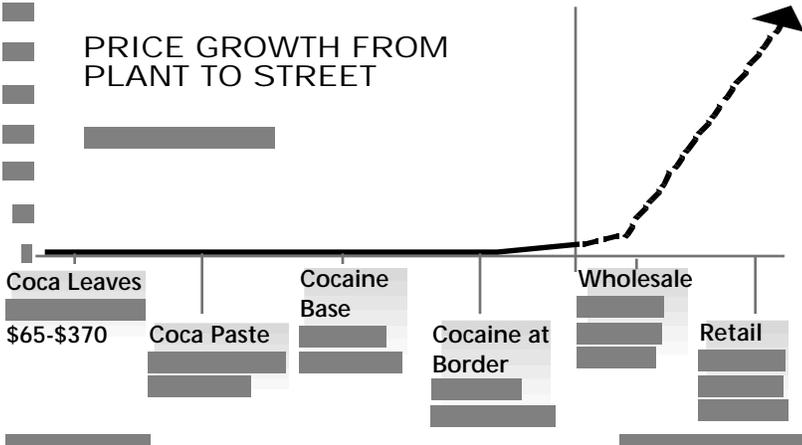
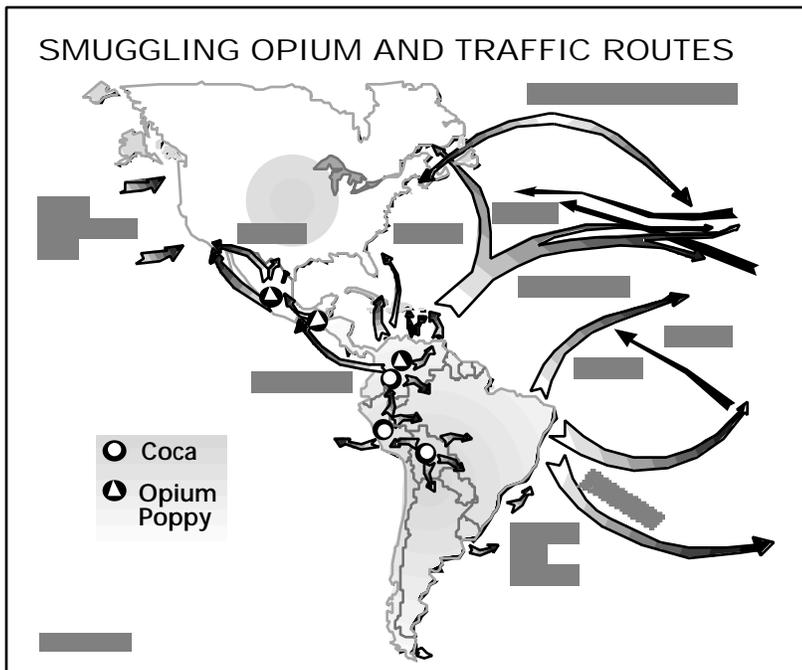
No one from DEA or Customs notified the Honduran authorities about the drug shipment planted on the Belize Air International jet by U.S.

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RICHARD PIPES/JOURNAL

**TRAFFIC JAM:** Vehicles heading into El Paso from Mexico back up at the Bridge of Americas. Customs inspectors try to keep the wait to under 45 minutes.



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agents.

Honduran police discovered the cocaine and arrested the plane's three-man crew and three passengers. The men spent 11 days in a Honduran prison, where five of them were tortured.

Because of cases like these, insiders say, the Justice Department prefers that Customs agents tend to their own duties.

Customs reinvents itself every so often.

For example, the agency underwent a major reorganization in 1982 when it created the Office of Enforcement and abolished the offices of Border Operations and Investigations.

With this reorganization, special agents in charge reported to regional enforcement offices. They, in turn, reported to regional commissioners.

Investigations by Congress, the General Accounting Office, Treasury's inspector general and a blue ribbon panel of federal officials revealed problems with the scheme. So, after nine years, it bit the dust.

Under the newest flow chart adopted in 1991, special agents in charge once again reported directly to the assistant commissioner for enforcement in Washington.

Port directors report to regional Customs commissioners, who in turn report to Washington.

Customs is undergoing another reorganization.

This one is costing \$15 million and the Office of Enforcement has changed its name back to the Office of Investigations.

The reorganization is directed at the regulatory arm and, other than the name change, will have little impact on the Office of Investigations. ■