

**BUSTED** (Left) Alfredo Beltrán Leyva, a top deputy in the Sinaloa cartel, during his arrest in January. (Above) Marijuana seized near the border in Hudspeth County, Texas, in January 2006.

# A

## lfredo Beltrán Leyva

was arrested on January 21 in Culiacán, capital of the Mexican state of Sinaloa. The circumstances of his arrest lived up to his high standing in Mexico's criminal underground, caught, as he was, driving a BMW S.U.V. in which federal police found eight pistols, an AK-47 assault rifle, and two suitcases containing about \$900,000 in cash. Until his arrest, Beltrán Leyva was a top lieutenant in what may be the most profitable and far-reaching drug-trafficking organization in the world: the Sinaloa cartel, presided over by Joaquín Guzmán, often referred to as Mexico's Pablo Escobar. Beltrán Leyva—known as El Mochomo after a vicious night-crawling ant—is thought by police to have been a Guzmán favorite, carrying out multiple murders while moving tons of drugs and millions of dollars for him.

The day after Beltrán Leyva's arrest, federal police raided two mansions in Mexico City. They nabbed 11 members of his hit squad and discovered an arsenal including dozens of high-powered rifles, fragmentation grenades, thousands of rounds of ammunition, and Kevlar vests stamped FEDA. The police believe this stands for Fuerzas Especiales de Arturo, or Arturo's Special Forces, a reference to Alfredo's older brother, who ranks even higher in Guzmán's organization.

One of the pistols taken from Beltrán Leyva's truck was an American-built, silver-plated Colt .38 Super, long the preferred firearm of aesthetically inclined *narcotraficantes*. Originally made in the 1920s, the .38 is an iconic gun, with a sleek rectangular barrel, angled handle, and forward-thrusting look that give it a certain élan. Custom models like Beltrán Leyva's can go for \$10,000. A monogrammed, emerald-encrusted .38 Super that belonged to one infamous drug lord now resides in a Mexican museum.

Guns are nearly impossible to buy legally in Mexico, so when the Beltrán Leyva haul was brought into federal police headquarters in Mexico City, agents sent serial numbers to the American embassy. There, they were fed into eTrace, a network created by the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, the agency that investigates arms trafficking, and the information emerged seconds later at the A.T.F.'s National Tracing Center in Martinsburg, West Virginia. The center receives more than 800 trace requests a day. Each usually takes two weeks to process, but in an urgent situation, one can be performed in a day or less.

The situation was urgent. A string of government assassinations was possibly in the works, according to Mexican

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**DRUGS, GUNS, AND DEATH** (Clockwise from top left) The bullet-pocked windshield of a Nuevo Laredo deputy thought to have been killed by drug dealers; alleged cartel members who were captured, along with a huge cache of high-powered weapons, during a raid in Mexico City in January; Gulf cartel leader Osiel Cárdenas Guillén during his extradition to the U.S. in January 2007.

law-enforcement officials I spoke with. Until recently, members of the Sinaloa cartel had managed to avoid the government crackdown that was devastating the rival Gulf cartel. But Mexican president Felipe Calderón now seemed to be going after the Sinaloans too, and word had come from informants that Guzmán, who's infamous for killing politicians when he's not buying them off, had given orders to bring the war to the capital. Beltrán Leyva, it seems, "was tasked with taking some reprisal action or took it upon himself to go out and make a hit," an A.T.F. agent who frequently works in Mexico tells me.

To find Beltrán Leyva's .38 Super, analysts at the tracing center sent the serial number to Colt, which produced the name of the wholesaler, who in turn dug up the location of the dealer. The pistol's trail led back to X Caliber Guns on North Cave Creek Road in

Phoenix, where it had been purchased three months earlier. From there it was smuggled over the border, probably at Nogales, Arizona. "Every gun has a story to tell," as A.T.F. agents like to say. Beltrán Leyva's Colt told not only its own story but also one that American and Mexican authorities and residents of the bloodstained border region know all too well—namely, that almost every gun fired in Mexico's drug war comes from the U.S.

**When Americans** think about the border, they tend to picture undocumented workers or clandestine river crossings. They don't think about war. But what's happening in Mexico now is a war—no other word seems suitable—and the most gruesome battles are taking place within miles of the U.S. So far this year, more than 1,350 people have been murdered in drug-

trafficking-related crimes in Mexico. Last year, according to tallies kept by Mexican newspapers, 2,500 people died; since 2001, the number is close to 10,000—twice the number of American soldiers killed in Iraq and Afghanistan.

These killings have become such an everyday part of life that there's a special word for them: *narcoejecuciones*, or narcoexecutions. The murdered include police, judges, prosecutors, soldiers, reporters, politicians, and innocent bystanders. Shootouts in broad daylight, mass executions, and public assassinations have become routine. "The old narco gunman was a guy with a gold tooth and a .45, and if you lost a load of drugs, he'd send someone out there to plug you," says J.J. Ballesteros, a veteran A.T.F. agent in Texas. "The phenomenon we're looking at today is entirely different. Now we have paramilitary cells with military training challenging one another and the government."

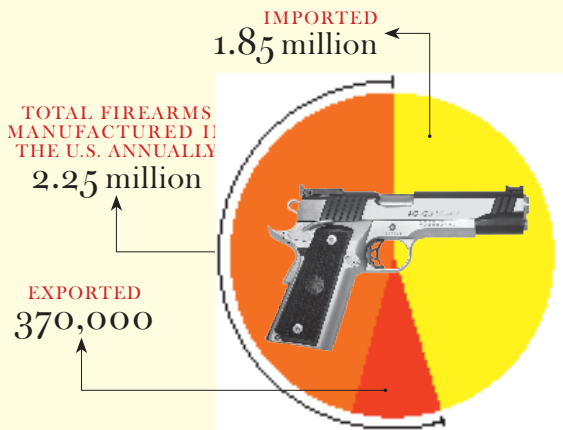
There are, in fact, two drug wars raging in Mexico. One is between drug-trafficking organizations—in particular, the Sinaloa cartel and its main rival, the Gulf cartel—over control of smuggling routes to the U.S. The belligerence is easily understood, given the stakes. The U.S. government estimates that the cross-border drug trade was worth as much as \$25 billion last year. According to Mexico's attorney

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ERICH SCHLEGEL (WINDSHIELD)

## THE U.S. MARKET

Some 200 companies, with estimated sales of \$2 billion annually, produce the **2.25 million guns made in the States each year**. The U.S. imports another 1.85 million, while selling 370,000 to other countries.



### FIVE WELL-KNOWN U.S. GUNMAKERS

	Annual production	2007 revenue (in millions)
REMINGTON ARMS .....	610,000	\$489
STURM RUGER .....	410,000	\$156.5
SMITH & WESSON .....	330,000	\$236.5
MARLIN FIREARMS .....	205,500	not available
COLT .....	21,250	not available

SOURCES: First Research; U.S. Census Bureau; A.T.F. reports; S.E.C. filings. All data is the latest available. Colt and Marlin are private companies and don't report earnings.

general, Eduardo Medina Mora, \$10 billion worth of drug proceeds crosses from the U.S. into Mexico each year in the form of bulk cash. The Sinaloa cartel, which controls much of the north-west border region, is led in part or in whole by Guzmán, who has lived on the run since 2001, when he escaped from prison aboard a laundry truck. The Gulf cartel, which reigns in the northeast, was headed by Osiel Cárdenas Guillén until his extradition to the U.S. in early 2007.

The other war is between the government and the cartels. Mexican presidents have pledged to end trafficking before, but Calderón, who took office in 2006, seems, in contrast to his predecessors, to be sincere, and his policies are having some effect. He has dispatched tens of thousands of troops, locked up

hundreds of traffickers, and undertaken sweeping reforms of the police and judiciary. With each salvo, however, the violence intensifies. The wars aren't just Mexico's problem, either. The U.S., with less than 5 percent of the world's population, consumes more than half of the world's drugs; most of the marijuana and methamphetamine, much of the heroin, and 90 percent of the cocaine comes from or through Mexico. "U.S. consumers are already financing this war," Medina Mora tells me, "only it's on the wrong side."

In late 2007, the Bush administration, which counts Calderón as one of its few friends in Latin America, announced the Mérida Initiative. If passed by Congress, it will provide Mexico with \$1.4 billion in equipment and training over three years. But the initiative,

with its unprecedented outlay of funds, is fraught with contradictions, since it would go to fight the flow of weapons coming in illegally from the U.S. More than 90 percent of the A.T.F.'s traces of guns seized in Mexico lead to the States. The Mexican ambassador recently estimated that 2,000 guns cross the border every day. Even if that figure is halved, it's a trade worth hundreds of millions of dollars a year.

**In January**, a week after Beltrán Leyva's arrest, I visit the A.T.F.'s field office in Phoenix to speak to Bill Newell, one of four special agents in charge of the border region. "The Mexicans and the Colombians, they're very similar in the following respect," says Newell, who cut his teeth in Colombia in the 1990s and speaks fluent Spanish. "They will fight to the death to protect their source and supply of drugs and their trafficking routes."

Near Newell's office is the "locker," where confiscated guns are stored. The room is crammed with hundreds of Chinese and Eastern European AK-47s, American AR-15 rifles, shotguns, Tec-9 semiautomatic pistols, Colt .38s, Austrian Glock 9-millimeter handguns, and Fabrique Nationale 5-7 pistols; the latter are known as *mata policías*, or cop killers, because they fire rounds that can

The U.S., with less than  
**5%**  
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pierce bulletproof vests. On the floor sits a Barrett .50 caliber rifle, preferred by American military snipers because it can pick off a foe a mile away.

Almost all of these guns were nabbed crossing the border, and almost all of them, even the deadliest, are available at gun stores, sporting-goods stores, Wal-Marts, hundreds of gun shows, and tens of thousands of virtually unregulated private dealers across the U.S. "My first weekend on the job here, I recovered 30 AKs," one of Newell's agents, previously a detective in the Bronx, tells me. "I thought I'd seen everything, but what I see here blows my mind." Adds Newell: "A lot of people think, 'Well, this is Mexico's problem.' It's obviously not."

The guns move south in the same way that the drugs move north. Their flow is overseen by "gatekeepers," transportation specialists who control "plazas," which are border towns that serve as hubs of the drug corridors. When guns are needed in Mexico, just as when drugs are needed in the U.S., an order is called in to a gatekeeper on the U.S. side, who then subcontracts purchasers and drivers. Gatekeepers, often members of Latin American prison and street gangs that sell cartel-trafficked drugs, "own these corridors," says Steve McCraw, director of Homeland Security in Texas. Adds Richard Valdemar, a former gang investigator with the Los Angeles County Sheriff's Department: "If you can trust a guy to sell your 50 kilos, you can trust him to get you 50 machine guns. Guns are the stock-in-trade for bartering."

In California, a gang known as the Mexican Mafia, which is run out of prisons, is tied to the Tijuana cartel. Another, called the Texas syndicate, is allied with the Gulf cartel. The MS-13 gang, which operates throughout the U.S. and Latin America, seems to work with both of them. Cash and barter are equally acceptable. In fact, with Mexico and the U.S. both cracking down on money-laundering operations, bartering for guns is often preferred. "One of the problems is what to do with all the bulk cash," Newell says. "If you have your distribution network, instead of sending me a truck loaded with a half a million in cash, send me a truck loaded with guns."

The preponderance of Mexican gun traces leads back to leaky border crossings—Laredo, Brownsville, and El Paso, in Texas, and Nogales in Arizona.

## The Mexican ambassador recently estimated that **2,000** GUNS CROSS THE BORDER from the U.S. to Mexico every day.

Both states are notable for loose gun laws. Being careful to choose people without criminal records, gatekeepers often hire straw purchasers to buy the weapons and send them to stores or gun shows. A federal agent in Texas tells me of a case in which the coach of a high-school marching band had his students buy guns from pawnshops.

Adan Rodriguez's story is a common one. Rodriguez "was a pretty typical young man in the Dallas area who made a profit from selling firearms," says the A.T.F. agent who investigated and arrested him. At the end of 2002, while living in South Dallas, Rodriguez was approached at a local hangout by two men he didn't know. Did he want to make some money? He didn't have a job, so he said yes. The men didn't tell Rodriguez their names, but several days later they left a wad of bills at his mother's house, where he lived, along with gun-buying instructions. Early in January 2003, Rodriguez went into Ammo Depot in Mesquite, Texas; presented his driver's license; passed the cursory background check; and walked out of the store with a 9-millimeter pistol, which he handed off.

No cops came looking for him. The store owner didn't call. No sweat. A few weeks later, the men left another bundle of cash, and Rodriguez went back to Ammo Depot and bought an AK-47, which he likewise handed off. Still no questions. A week later, the men dropped off about \$10,000, and Rodriguez bought nine AR-15s. It turns out the men were driving the guns to Reynosa, Mexico, where Cárdenas Guillén and the Sinaloans were waging a fierce battle for control of the plaza. Rodriguez earned \$50 a gun. Eventually, an A.T.F. agent who visited Ammo Depot noticed Rodriguez's name coming up repeatedly in the store's sales records. After months of tracking him, in November 2003 agents arrested Rodriguez, who by

then had bought more than 150 guns. He is now serving a 70-month sentence in federal prison. The men who paid him were never caught, and only five of the guns Rodriguez bought were recovered. One was connected to the shooting of a local police officer in Reynosa. I ask the agent why Ammo Depot didn't alert the A.T.F.; after all, Rodriguez was paying cash for dozens of weapons popular with drug traffickers. The agent's reply: "As long as he passes the background check, it's a completely legal sale."

**Nuevo Laredo**, in Tamaulipas, has benefited as much as any city in Mexico from Nafta and cross-border trade. It has also suffered inordinately from the drug wars. The sign above the bridge connecting it to Laredo, Texas, reads *GATEWAY TO THE AMERICAS*, a slogan with some claim to truth. This is the busiest noncoastal commercial port of entry in either country and thus one of the most desirable drug-trafficking routes in the world. The town is hot and dusty, jammed with steamy restaurants, little banks, open-air markets, sputtering taxis, and stray dogs. It's rimmed by abject slums that serve as stark reminders that Mexico, despite having the world's 13th-largest economy, still struggles to take care of many of its citizens.

Beginning in the mid-1990s, Nuevo Laredo came under tighter and tighter control of the Gulf cartel. Around 2002, the cartel's boss, Cárdenas Guillén, began recruiting defectors from a Mexican special-forces unit that, according to law-enforcement sources, had been trained in antinarcotics operations at U.S. Army bases. The defectors brought their nickname—Los Zetas—to the streets and soon developed a fearsome reputation, wiping out Cárdenas Guillén's competition in the border plazas to the west. Guzmán, who'd long coveted the Laredo corridor, sent his *(continued on page 118)*

## Arming the Drug Wars

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own troops, including the Beltrán Leyva brothers, into the fray. Soon, northern Mexico, Nuevo Laredo in particular, was a battleground. In 2005, Nuevo Laredo's new police chief was executed just hours after being sworn in. Vicente Fox, then Mexico's president, sent in federal police; local police who were loyal to the Zetas shot at them. Gunfights broke out daily. In July 2005 the U.S. closed its consulate there.

Over time, as Calderón has weakened the Gulf cartel, the violence in the town has abated. Few Nuevo Laredans doubt, however, that the Zetas still exert a strong influence. When I visit in February, fear and suspicion are palpable. Soldiers and light tanks are stationed at the bridges. In a city where many cops have been fired for corruption, some still on the beat have been disarmed; they walk the streets with empty holsters. Lookouts known as *halcones*, or falcons, are presumed to be everywhere. While I am interviewing a State Department official in a restaurant, a shoeshine boy ducks in, looks at us, and ducks back out. "You can be sure that kid went and told somebody, who went and told somebody, who called a Zeta, and they know we're here," the official tells me. "They follow all of us."

On a hot evening at the Cadillac Bar, I talk to a local newspaper reporter and Nuevo Laredo native whom I will call Ana. A few years ago, the Cadillac, a city institution, would have been packed with tourists, but on this night we are the only patrons. When the violence began, media flocked to the city, but then journalists became the objects of attacks. In 2005, a radio correspondent was shot outside her office. Gunmen sprayed the newsroom of *El Mañana* with AK-47 fire. Since then, Ana says, the Zetas have put many of her colleagues on the payroll to shut them up. "I don't feel safe," she says.

Everyone knows who the Zetas are. They dress in designer jeans and boots and drive around in new Jeep Cherokees and pickups, the butts of their guns visible through the windows. Everyone knows Nuevo Laredo's Zeta gatekeeper by reputation, but few know him by sight. When I ask Ana his name, she refuses to say it, beckoning me to hand her my notebook. She hides it from view and scribbles "Miguel Treviño."

Treviño's name has an incantatory power in Nuevo Laredo, and his sadism

is notorious. He is said to be fond of employing the *guiso*—a word that means *stew* but has come to signify a form of execution in which victims are burned alive in oil drums. With Treviño's help, the Zetas have taken on sideline operations that go beyond their Gulf cartel duties: human smuggling, extortion, and, of course, gunrunning. There are warrants out for Treviño in Mexico and Texas, but Ana has little faith that the police or army will arrest him. To her, they seem mostly inept, not to mention mendacious. Whenever she asks the police about a murder, she says, they call it a suicide. "No one tells the truth here," she adds. Lately, the Zetas have even taken to hanging recruitment banners in public spaces. "Kids used to say that they wanted to be police. Now they want to be Zetas," Ana says. "They think that's the only way to get respect."

Meanwhile, regard for the U.S. has never been lower. "The only thing the people here know about the U.S. is that it won't give them visas," Ana goes on. Actually, they do know something else—that the Zetas' guns come from across the border. And it's not just the Zetas who buy the guns. Ana's brother recently bought a pistol on the street, claiming it was for protection. Their mother found it, scolded him, and threw it away.

**BUYING GUNS IN AMERICA** is easy. Transporting them across the border requires more invention. Weapons are usually seized from passenger vehicles, which are often stolen. But the gatekeepers are getting smarter. In Laredo, investigators have noticed that traffickers now like to invest in used-car dealerships. "If you stop a guy and he says, 'I'm a used-car salesman,' there's a good chance he's a trafficker," says Robert Garcia, a homicide investigator with the Laredo Police Department.

Smuggled guns have also turned up in freight trucks, which is troubling to some investigators since it suggests that gatekeepers have infiltrated the flow of commercial traffic. There are numerous ways to put the guns on trucks. Bribing drivers is the most prevalent. Trailers can be fitted with hidden compartments and false walls and leased to unsuspecting trucking companies. In Mexico, it's not uncommon for these companies to be partly owned by traffickers. Shipments have been found in meticulously rendered counterfeit Wal-Mart and U.S. Postal Service delivery trucks, and in one instance, a Texas Department of Transportation truck that traffickers had purchased at auction. The gatekeepers also employ brute force. Threats to American

freight companies—their dock loaders, security guards, warehouse managers, and even owners—are increasingly common, according to Garcia. "They'll call and say, 'You carry our stuff or we'll kill you,'" he says. The proposition is known in Latin America as *plata o plomo*, silver or lead: Take the money or face the bullets.

If the guns make it onto trucks and the trucks reach the border, the game is all but over. Even with the crush of agents from the Department of Homeland Security's various branches on the border, only a minute fraction of the total traffic can be inspected. The border has long been a busy place, but since Nafta's passage in 1994, volume has exploded. In 2007, nearly 5 million commercial and 80 million passenger vehicles crossed through 25 ports of entry. That's about 230,000 every day, or 160 a minute.

Mexico has no gun-tracing system of its own, so it relies on the A.T.F., to whom it sends between 3,000 and 7,000 trace requests each year. A special Mexican federal police unit has been set up to investigate gun trafficking, but according to people who study Mexican law enforcement, the country has a long-standing, intense aversion to conducting serious investigations, and the main branches of the federal police are constantly at loggerheads. One American agent working on the gun problem in Mexico City says, "They don't have the skills, they don't have the knowledge, and they don't have the training. They want us to give them everything on a platter."

Then there is the corruption, endemic on the local and state levels but common enough in the federal police force as well. In 2005, Mexico's attorney general reported that one-fifth of the federal force was under investigation. It's not a black-and-white affair, though. City police loyal to traffickers are known to supply them with guns (and vice versa), but honest cops who work in poor departments also buy guns on the black market for protection. According to the agent in Mexico City, however, even the federal police often don't report the guns they seize; they either keep them for themselves or, more troubling, resell them to criminal organizations along with such items as uniforms. (Cartel hit men often wear police uniforms, either as a disguise or because they sometimes *are* the police.) It's not uncommon for seized guns to end up at new crime scenes later.

For generations—on both sides of the border—a swinging door has separated law enforcement and lawbreaking. Cárdenas Guillén, a capo who made the transition from police officer to traf-

ficker, started out training dogs for an antinarcotics squad. Earlier this year, the former police chief of Laredo, Texas, was convicted of bribery. In November, the Federal Bureau of Investigation closed an investigation that resulted in the conviction of nearly 50 current and former Marines, soldiers, National Guardsmen, and others involved in trafficking cocaine in Arizona.

In 2005, the F.B.I. uncovered a Gulf cartel plot to kidnap two of its agents, take them across the border, and kill them. Last year, Mariano Castillo, an American who was the border reporter for the *San Antonio Express-News*, fled Laredo after an F.B.I. source told him that the Zetas intended to kill him. When the Zetas rose in Nuevo Laredo, Garcia says, "we started finding Zeta cells—U.S. citizens—that were working on this side." Garcia uncovered safe houses rented by the Zetas in Laredo, where they put up teams of young hit men recruited at high schools or bars. Zetas lined the floors with air mattresses, filled the refrigerators with bologna, and gave the boys weapons training. These "Zetitas" were paid \$500 a week to remain on call for contract killings and received between \$10,000 and \$50,000 and two kilograms of cocaine when a job was done. None of those arrested was older than 21. The youngest was 17-year-old Rosalio Reta, who confessed to 30 murders. He'd started killing for the Zetas at 13. "You can't separate the fates of people living on either side of the border," Medina Mora says.

**THE A.T.F.'S NEWELL** disputes the 2,000-gun-a-day figure cited by the Mexican ambassador, but other agents I spoke with say it sounds accurate. No one knows how many of the millions of guns sold in the U.S. each year find their way to Mexico. The A.T.F. is uniquely hamstrung among federal law-enforcement agencies in terms of the information it is permitted to gather and share. Stipulations reiterated in congressional appropriations bills every year forbid the A.T.F. to create a national database of guns or gun owners. The agency can't monitor guns that manufacturers and importers sell to wholesalers and dealers.

Gun buyers are required to fill out A.T.F. sales forms, but the agency doesn't collect them; dealers are required to keep the forms. They are also expected to send the A.T.F. multiple-purchase notices for handguns, but given the volume of sales, compliance is all but voluntary, and the rule, amazingly, does not apply to rifles. The National Tracing Center houses 440

million documents, but federal law forbids them from being indexed so they can be searched by name. Most of these records are still on microfiche. The result is not surprising: Nearly half of all traces are inconclusive.

At the same time, becoming a licensed gun dealer in the U.S. is very simple. All that's required is a completed application, a photograph, and a set of fingerprints for a background investigation. A license entitles anyone to buy guns straight from manufacturers and send them between states or abroad. There are roughly 110,000 licensed gun dealers in the U.S. In Texas and Arizona, as in much of the nation, about half of them don't have stores; these so-called kitchen-table dealers instead buy and sell guns through the mail or out of their homes or cars. Further, an A.T.F. report found that three-quarters of dealers who sell from commercial premises do so from "businesses such as funeral homes and auto-parts stores."

In April, I visit one of the most prolific private dealers in Dallas, not far from where Adan Rodriguez bought his guns. After greeting me in the parking lot, a pistol on his belt, the dealer brings me inside, where he shows me an AR-15 for \$750 and an AK-47 for \$600. He has a dozen more on hand. He would have even more, but these models are being snapped up because, he says, "everybody's worried about what the Democrats are going to do." We aren't in a gun store or a sporting-goods shop; we meet at the office of his plumbing-supply company.

In 2003, Robert Ricker, a former National Rifle Association lawyer and ex-director of the American Shooting Sports Council, testified in Brooklyn federal court that the gun industry has known for years that it's supplying "large-volume sales to gun traffickers and various other channels" through corrupt dealers or distributors. Ricker tells me that one-fifth of those guns would end up being used in crimes, according to his clients' own internal studies.

Some gunmakers seem almost to revel in the association. Colt's Manufacturing, having apparently caught on to the popularity of the .38 Super with certain customers, offers custom pistols with such titles as El Rey (the king) and El Presidente engraved on the barrel. When reached for comment, Carlton Chen, general counsel for Colt, tells me he was not aware that gun trafficking was a problem in Mexico or any other country, saying, "The A.T.F. hasn't come to me and told me there's an issue with our guns being sold in Mexico." He points out that Colt cooperates with

the A.T.F. on tracing, but adds, "Once a gun is sold, we have no control over how it's used or to whom it's sold."

But Chen acknowledges that Colt filled at least one bulk order of the specially engraved guns. "The El Presidente is just an example of what one organization had come to us requesting. The .38 Super is probably the gun of choice for civilians in Mexico and South America as well, because our .45 is unlawful down there." Asked whether Colt would address the trafficking issue now that he'd been informed of it, Chen says, "Are we going to do a law-enforcement investigation? We could ask the A.T.F. whom the guns are going to, but they're going to say it's none of our business."

It's well-known in Washington that the efforts of groups representing gun owners and the gun industry have helped hobble the A.T.F. The agency's ranks and budget have hardly expanded in years. N.R.A. director Wayne LaPierre has said that the abolition of the A.T.F. is one of his goals, and he once compared its agents to Nazis. In the Senate, gun-control opponents led by Idaho senator Larry Craig have delayed the confirmation of Michael Sullivan, Bush's chosen A.T.F. director, for more than a year because they say that he has made it too difficult for gun dealers to operate. Of the roughly 5,200 gun-dealer-license applications it received for inspection last year, the A.T.F. provisionally approved 4,400. It revoked 97 licenses, or less than one one-thousandth of the total. "We can only enforce the laws Congress passes," one A.T.F. agent says. "We're never going to be able to change the laws, because of the N.R.A."

**A STRANGE BREW OF** suspicion, cooperation, and enmity has defined relations between American and Mexican law-enforcement agencies since at least the 1940s, when the U.S. embassy sent a cable to the State Department explaining that the office of Mexico's attorney general, tasked with combating the burgeoning scourge of narcotics, seemed instead to be promoting it. In 1985, Mexico disbanded the entire Direcciones Federales, the predecessor of the current federal police force, after high-ranking officials were implicated in a D.E.A. agent's murder. At least twice since then, its head narcotics officers have been tied to cartels, as have members of all three major political parties and, reportedly, at least two presidential families.

Meanwhile, U.S. attempts to assist Mexico in fighting the drug war have been embarrassing at times. The Clinton administration sent a fleet of Vietnam-



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era Huey helicopters that couldn't fly. (Mexico eventually returned all but one of them.) Years of spraying and burning drug crops at Washington's urging have served mainly to anger farmers.

Cooperation has greatly improved under the Bush administration, but more guns and drugs are crossing the border than ever before. Between 2000 and 2005, cocaine shipments from South America to Mexico as much as doubled, and methamphetamine interceptions on the U.S.-Mexico border quintupled. There are many critics of the Mérida Initiative in both countries. It doesn't address "the guns flowing into Mexico" or "the demand side of drugs," says Democratic representative Eliot Engel, of New York, whose House Foreign Affairs Subcommittee on the Western Hemisphere oversees U.S.-Mexico policy. Medina Mora defends the pact, wishing it could be more extensive but noting, "Mérida is not only and not essentially about money. It is essentially about commitment."

A larger question for Mexico is what kind of success Medina Mora is prepared

to settle for. Of late, the country has been compared to Colombia, which seems to be content with having pushed drug activity into the hinterlands in order to salvage its cities. "Any person in the government with a minimal amount of information doesn't really believe that drug trafficking can be eradicated in Mexico," political scientist Jorge Chabat says. "The purpose of the strategy is very clear: the fragmentation of the cartels." Government officials "can't solve the problem, but they can make it more manageable."

And then there is the matter of what the cartels are prepared to give up. In May, shortly after I interviewed Medina Mora, his top police official, Edgar Millán Gómez, was gunned down in front of his Mexico City home, apparently in retribution for Beltrán Leyva's arrest. Not long before, the head of the Mexican attorney general's organized-crime intelligence unit was also shot to death. Certain A.T.F. agents I interviewed say that the recent surge in gun-trafficking cases may be a bad portent. Guzmán's forces, the remaining capos of the Gulf cartel, the Zetas, or perhaps all of these groups could be preparing a major counteroffensive—if it hasn't already begun. An agent who works in Mexico and has family roots in Sinaloa says that trafficking is their life. "It's their

livelihood. They're not going to come up here and be laborers." He continues, "It's going to be a long, drawn-out fight. A lot more people are going to die."

On the way back from Mexico, I stop at a gun show at a fairground in Phoenix. There are hundreds of people here, a cross section of America. They're not just gun nuts—though there are plenty of those—but well-mannered hunters and target shooters, Iraq veterans, cops and teenagers, couples holding hands, white men, Latino men, black men, men wearing vintage German Afrika Korps uniforms. The sign above the ticket booth reads WELCOME PATRIOTS! YOUR SECOND AMENDMENT RIGHTS GUARANTEE ALL THE OTHERS! And under tent after tent, on table after table, lie endless instruments of mayhem: rows of assault rifles and pistols, military tactical gear, and millions of rounds of ammunition. I watch as a group of well-dressed men—Mexican nationals, judging from the license plate on their S.U.V.—buy thousands of AK-47 bullets without so much as presenting identification. Across the room, I stand at a counter beside a Latino man with prominent gang tattoos on his neck and face. He is inspecting a display case that contains an elegant array of Colt .38 Supers. One has EL PRESIDENTE engraved on the barrel. ©

## Tall Order

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shake." (The Center for Science in the Public Interest has reported that a venti Java Chip Frappuccino has as many calories—650—as a cup of McDonald's coffee with 11 creamers and 29 packets of sugar.)

But Wall Street liked the switch and wouldn't have tolerated too much tinkering. "I bet he goes to Italy and walks those streets and wants to throw up," says Mark Inman, the president of the Specialty Coffee Association of America, about Schultz. "He started with all these good intentions, but he boxed himself into a corner, and I don't think he has a way out." With a derisive laugh, Schultz says that's hardly the case.

**SCHULTZ STEPPED DOWN** as C.E.O. in 2000, yielding to Orin Smith (who retired in 2005, making way for Jim Donald). Schultz's new title was chairman and chief global strategist. By then, Starbucks had 3,500 stores. Schultz's new position allowed for other pursuits. He appeared before Congress, on television, and in Clinton's Oval Office evangelizing for national health-care legis-

lation. "I always say, jokingly, that Howard is running for president or something, because the things that concern him you also hear from people who are running for office," says DreamWorks chairman David Geffen, who knew Schultz even before Schultz joined the board of DreamWorks Animation SKG. "Howard is genuinely concerned with these issues." (A lifelong Democrat, Schultz calls Bobby Kennedy his political hero. He supported Bill Bradley for president in 2000 and has contributed to the campaigns of John Edwards, Hillary Clinton, and Barack Obama this time around.)

Then there was sports. In 2001, Schultz joined a group buying the Seattle SuperSonics pro basketball team. He took the largest chunk—42 percent—for \$84 million and became the principal voice of ownership. It was, he says, the fulfillment of a lifelong dream. But it was also, he adds, "an unequivocal mistake, on every level."

Schultz turned into one of those annoying courtside celebrities, à la Jack Nicholson or Spike Lee, who express proprietary exasperation whenever things go wrong. The players resented his histrionics, along with the attempts of this rich, white coffee guy to cozy up to them. The mediocre Sonics were beyond his powers to fix

or control, something alien to Schultz. Nor could he persuade Seattle to build a new arena for the team, leading him to speak intemperately about his beloved adopted hometown, then to sell the team (at a handsome profit) to people determined to move it elsewhere. Fairly or not, Schultz became Seattle's version of Walter O'Malley, the man who robbed Brooklyn of the Dodgers. He claims he was hoodwinked, but the lawsuit he filed to rescind the deal has not restored his luster.

Schultz and his wife live in a gated community above Lake Washington; a Kiefer and a Rothko reportedly hang in their home. They also own a beachfront house in East Hampton, New York, not far from where they met in 1978. For a time, believe it or not, Schultz tried to keep the Hamptons Starbucks-free. "It's a place I live in the summer, and I just didn't want to be reminded of Starbucks," he explains. But he eventually acquiesced. Business is business, after all, and if Starbucks hadn't gone in there, he reasoned, someone else surely would have. Earlier this year, he bought, from Jonathan Tisch of Loews, a \$24.8 million pied-à-terre on Fifth Avenue in Manhattan. Real estate and media mogul Mort Zuckerman lives in the penthouse.

Schultz has begun a foundation that