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DRUG CARTELS: A THREAT TO NATIONAL SECURITY

by

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Preface

The drug cartels are responsible for corrupting national political and economic systems and bringing about social decay. We see the impact of drugs in our schools, on our streets, and have heard about it on the news. Why, with all this attention is it such a significant problem in our society? My interest in the United States' effort to counter illegal drugs stems from the days, weeks, and months I spent away from my family fighting the war on drugs. I was just one of several US service men and women deployed to various locations around the globe. At first, I felt a sense of mission accomplishment, however, I soon realized that little if any impact was felt on the streets of small town USA. This fact made me question our policy and strategy; and ask the question: Was there a more effective approach?

As early as 1914 governmental efforts to ensure that only doctors and pharmacists sold cocaine and heroin based drugs was part of the Treasury Department. It was President Nixon, in 1969 that launched the war on drugs by significantly increasing the budget and bringing in other agencies to help in the drug enforcement effort. In 1973, President Nixon formed the DEA to stop the proliferation of drug use in the US. The social change that took place in the US between the 1960s and 1980s plus the growing use of cocaine allowed President Reagan to secure an amendment to the Posse Comitatus Act. This amendment allowed the military to assist civilian law enforcement agencies in the war on drugs. The increased demand for cocaine in America also led to the birth of

drug cartels, which have grown so large and diversified their operations, they can be considered multi-national corporations. During the Cold War the US was fighting a single enemy—communism. The main threat now is much more diversified and it includes transnational organized crime and the drug cartels. Drug cartels not only traffic illegal drugs, they are responsible for billions of dollars a year in money laundering. The enormous profits made by the drug cartels allow them to corrupt national political and economic systems and bring about social decay. The question is whether these cartels will be allowed to grow, and threaten democracy, or be destroyed. Without directly attacking the profits of the cartels it is likely that they will continue to grow. Many experts agree that transnational organized crime is the major threat to regional security, I believe that it is a threat to national security.

I believe that a new approach is necessary to fight the war on drugs. In this paper I look at the last three administrations' policies and efforts to counter the growing narcotics trade, as a point of reference for the reader and to gain insight into how the cartels operate. I then look at how the current drug enforcement agencies use an input-based process at the tactical level to target the drug war, when an output-based approach at the strategic level is more appropriate. Based upon the output-based process and the national drug policy objectives, I then use Warden's strategic paralysis model and discuss how and if, it can be applied to the drug war. Hopefully providing insight, or at least a different prospective, into a new way to fight the war on drugs and destroy the drug cartels.

Abstract

Recent history shows that concentrated efforts by the United States to counter the use of illegal drugs in this country is by no means a new phenomena. Each President since Nixon has targeted this problem in their own way. It was President Nixon, in 1969, who launched the war on drugs by significantly increasing the budget and by bringing in other agencies to help in the drug enforcement effort. President Reagan declared his war on drugs shortly after taking office and paved the to way for military involvement. Reagan targeted efforts against the cartel bases operating in Colombia, thinking these efforts would defeat the growing drug problem.

President Bush's strategy called for increased drug enforcement efforts against the Andean countries of Colombia, Bolivia and Peru. To fund this increased military involvement, the military funding for drug enforcement increased from \$357 million in 1989 to more than \$1 billion by 1992, according to Eva Bertram in her book *Drug War Politics: The Price of Denial*. Drug use in America had fallen dramatically; however, drug enforcement agencies still faced a daunting task. President Clinton did not believe a high-profile war on drugs suited his political agenda. He initially took efforts to de-emphasize the drug war, favoring a social policy of drug addiction treatment, believing this would decrease demand. However, demand instead increased, especially amongst the teenage population of the US. This increased demand lead President Clinton to step-up efforts abroad to fight the war on drugs.

The policy of the United States government toward the war on drugs has been inductive; however, a deductive strategy is necessary. Colonel John Warden, the architect of the Gulf War campaign, has developed a five ring model as a way to analyze a complex system and target specific sections, or rings to induce paralysis. The very innovations and technology that have made drug cartels more complex and efficient, may provide us with a new means to fight the war on drugs. By applying Warden's five ring model and information warfare to the war on drugs, it is possible to analyze the Cali cartel's organizational structure and identify new critical nodes in which to attack. The US has the capability to apply emerging technologies, through its ability to intercept and exploit both communications and internet systems, against these newly defined centers of gravity.

Chapter 1

Drug Enforcement Strategy

The end of the Cold War and the surge of democracy in this hemisphere have changed the security picture dramatically.

—Vice President Al Gore

Introduction

“Drug addiction is fueling a huge, \$400 billion global industry that is as large as the worldwide trade in textiles and bigger than the sales of iron or steel.”¹ Recent history shows that concentrated efforts by the United States to counter the use of illegal drugs in this country is by no means a new phenomena. Each President since Nixon has targeted this problem in their own way. However, illegal drug use is still a significant problem; leaving many Americans asking, “What is wrong with our drug control strategy?” In this paper, I will look at the last three President’s policies and how each different administration attempted to fight the war on drugs. From President Reagan’s very public, family values based attack on all fronts; to President Clinton’s social based demand reduction approach. I found merits and rationale inherent in all of the different strategies, however, I feel that they do not attack the root cause of the problem, the cartels themselves. With this fact in mind, I analyzed how input-based strategies are being employed at the tactical level by various drug enforcement agencies as opposed to an

output-based process at the strategic level. I then explain Colonel John Warden's theory of strategic paralysis and apply it to the drug cartels. Looking at cartels as a business system, as opposed to the traditional approach of viewing the cartels and targeting efforts at either supply or demand reduction. Once the system is broken down, I propose an alternative way of destroying the cartels through information warfare (IW). These cartels are profit driven enterprises that cannot be stopped, unless you attack their source of power. That source of power is MONEY!

The Reagan Years

President Reagan declared war on drugs shortly after he took office. Making Reagan the first President, since President Nixon, in 1969, to significantly increase the budget to combat the growing illegal drug trade.² America was ready for a change and Reagan entered office at a time when Americans had grown impatient with the lack of government efforts to stop the flow of drugs in America. This, coupled with his election campaign's traditional family values made the timing right to increase government involvement in the war on drugs.³

Drug use in America had shifted in the early 1980s from marijuana and heroin to cocaine. To counter this social shift in drug use by Americans, President Reagan instructed U.S. Customs to make drug interdiction a high priority. He also brought the federal intelligence collection efforts, including the CIA, into the war on drugs.⁴ Additionally, he involved the IRS and its Criminal Investigations Division. They were tasked to aggressively pursue tax cases against high level drug dealers and investigate money laundering activities of the drug dealers in violation of the Bank Security Act (BSA).⁵ The Treasury Department was also tasked to increase their drug enforcement

effort in the drug war. They became highly involved in the crack down against drug traffickers, who were laundering money in the United States. Operation Greenback is an example of the kinds of task forces that were aimed at drug traffickers. Operation Greenback was a “multiagency financial task force in Miami, ...beefed up with more customs and IRS agents and additional prosecutors.”⁶ These financial task forces grew to operate in 26 American cities.

President Reagan’s war on drugs was not just fought on American soil. Reagan targeted his efforts against the cartel bases operating in Colombia. These cartels had been operating in the eastern plains and southeastern regions of Colombia since the late 1970s and early 1980s.⁷ The cartels operated in these regions because they are largely remote and account for only 3 percent of the population of Colombia, but 60 percent of the land mass.⁸ To help counter the cartels and fight the war on drugs in these remote areas, the President paved way for military involvement, by pushing through an amendment to the Posse Comitatus Act.⁹ President Reagan thought these efforts would defeat the growing drug problem, especially the two largest cartels, the Medellin and Cali cartels. During the 1980s these cartels had revenues estimated at between \$5 and \$14 billion dollars. Making this region of Colombia and specifically, the Medellin and Cali cartels, the largest producers of cocaine and of primary concern to the Reagan administration.¹⁰ However, President Reagan did not feel he could accomplish this effort without support of the American people. The President sought public support in two ways: first, he used his office to galvanize public support and attention to the growing drug problem in America;¹¹ and second, First Lady Nancy Reagan became a leader in the anti-drug movement with her “just say no” campaign.¹²

Bush Steps Up the War on Drugs

President Bush continued the efforts undertaken by Reagan, plus he expanded the military's role and budget requests. Bush's strategy called for increased drug enforcement efforts against the Andean countries of Colombia, Bolivia and Peru.¹³ This strategy, called the "Andean Initiative" was to "cut supply by eradicating coca crops, destroying processing laboratories, blocking the transport of processing chemicals, and interrupting drug shipments. Traffickers are to be arrested and prosecuted, their assets seized, and trafficking networks dismantled."¹⁴ To accomplish this initiative, the President's strategy called for coordinating efforts in two broad areas; demand reduction and supply reduction.¹⁵ Bush targeted demand through interdiction efforts, which involved Customs Service, DEA, Border Patrol, and the military. To fund this increased military involvement, the military funding for drug enforcement increased from \$357 million in 1989 to more than \$1 billion by 1992¹⁶. This dramatic increase was necessary because in 1989, "Secretary of Defense Dick Cheney declared drugs to be a high-priority mission of the Department of Defense. The fiscal 1989 National Defense Authorization Act charged the Defense Department with three new responsibilities."¹⁷ They were to become the lead agency for detecting drug traffic into America; responsible for command, control, and communication for all drug interdiction efforts; and finally, approving and funding plans for using the National Guard.¹⁸ The military, for example, "enlisted radar-equipped Navy warships, Air Force fighter planes, and AWACS radar aircraft in the effort."¹⁹ What impact did military involvement and increased budget have on the drug war?

Drug use in America had fallen dramatically; however, drug enforcement agencies still faced a daunting task. According to a study by Congress, “Drug use fell markedly between 1981 and at least early 1992...following what most agree was concerted federal, state, community, and parental counter narcotics activity, as well as strong national leadership on the issue by Presidents Reagan and Bush and First Lady Nancy Reagan.”²⁰ By the end of the 1980s Bush “had effectively built on the ideological and institutional groundwork laid by previous presidents...to create a harsher, more expansive antidrug strategy.”²¹ However, with this said, drug enforcement officials still faced the problem of 574,000 aircraft, 177,000 ships, 118 million autos, and 422 million people crossing into the United States. How do you defend 12,000 miles of coastline and 7500 miles of terra firma?²²

Clinton Changes the Focus

President Clinton did not believe a high-profile war on drugs suited his political agenda. He took efforts to de-emphasize the drug war, favoring a policy of drug addiction treatment, believing this would decrease demand.²³ The Office of National Drug Control Policy released President Clinton’s national drug strategy which “articulated a clear shift in emphasis.”²⁴ This emphasis was placed on education, prevention and treatment. During Clinton’s first term he continued his efforts to shift the drug enforcement policy toward prevention and treatment, however, he faced several problems. First, “within his first year Clinton had learned one of the limits of drug policy reform: it was one thing to deescalate the rhetoric of the drug war and quite another to dismantle or reorganize federal drug war agencies.”²⁵ This left Clinton’s initial message on the drug policy of his administration mixed. On one hand, he advocated treatment,

and on the other, he refused to challenge the status quo of the current law enforcement efforts. Clinton did not appear to have much interest in his drug policy and little political success getting Congress to support his new policy. “Clinton succeeded only in moving drug policy off the political agenda and out of the public spotlight. This created the public impression that the drug war was largely a thing of the past.”²⁶ This of course was far from the truth. “At home and on the borders...interdiction agents steadily continued to tally their drug seizures: 107 metric tons of cocaine and 815 kilograms of heroin were seized in 1990, under Bush’s watch; three years later, under Clinton, 110.7 tons of cocaine and 1600.9 kilos of heroin were netted.”²⁷ A combination of governmental policy and cartel inter-fighting led to the collapse of one of the two primary cocaine suppliers to the United States, the Medellin Cartel. This led to an increased effort by the Clinton administration against the Cali Cartel and a change in policy.

Reflecting a retreat on several policy fronts, President Clinton introduced a more aggressive approach with his 1995 drug strategy. However, a congressional review of the status of the drug war stated that the 1995 budget numbers were still too low to fight an effective strategy. Congress also cited his administration with shifting the drug enforcement goals from quantifiable to broad prescriptive goals aimed at greater drug treatment emphasis on the demand side. While on the supply reduction component shifting toward greater source country program emphasis.²⁸ The committee also found that drug use across America in the past 3 to 4 years has increased dramatically. Looking at the expanding coca crop in Colombia additionally supports this fact.

[The cartels have expanded their crop] by over 30% last year, from almost 51,000 hectares to over 67,000 hectares, despite our joint efforts to expand the aerial eradication program and make it more effective.²⁹

Furthermore, there was a 13 percent coca cultivation increase between 1994 and 1995 and the crop cultivation has nearly tripled since 1987. This significant increase in the coca crop requires a stepped up attack at the source.

The collapse of communism and the growth of open market societies coupled with the innovations in communications and transportation technology have been a windfall for the drug traffickers. The estimated cost to the United States is in excess of \$60 billion per year. The 1997 budget request for International Narcotics and Crime Control shifts the focus toward attacking the drug problem overseas and transnational crime. This shift in focus has forced President Clinton to take a tougher, more open stance on the drug war; leading him to declare international narcotics and crime to be fundamental threats to our national security.³⁰ The 1997 budget request for International Narcotics and Crime Control also outlines increased efforts to focus on foreign sources of narcotics and crime problems including money laundering and drug crops, and looks at possible sanctions for countries that do not cooperate. Eradication is still a central element of the source country counternarcotic strategy. Additionally, the administration calls for increasing the law enforcement and judicial sector training programs, which they feel, is a key element of the source country program.

The United States efforts to counter illegal drugs are not a new phenomenon. It was President Nixon, in 1969 that launched the war on drugs by significantly increasing the budget and bringing in other agencies to help in the drug enforcement effort. This chapter has focused on the policies of President's Reagan, Bush, and Clinton and their efforts to fight the war on drugs. The one thing that is clear; the demand for cocaine has grown. This demand has led to the birth of the drug cartels, who have grown so large and

diversified their operations can be considered multi-national corporations. These drug cartels not only traffic illegal drugs; they are responsible for billions of dollars a year in money laundering. The drug cartels are responsible for corrupting national political and economic systems and bringing about social decay, both here and abroad. The question is, whether these cartels will be allowed to grow, and threaten democracy, or be destroyed?

Notes

¹ “Drug trade huge global industry, U.N. report says.” *Gannett News Service*, Nov 97.

² Powis, Robert E. *The Money Launderers: Lessons from the Drug Wars: How Billions of Illegal Dollars are Washed through Banks and Businesses*. Chicago, IL: Probus Publishing Co, 1992.

³ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996.

⁴ Ibid.

⁵ Powis, Robert E. *The Money Launderers: Lessons from the Drug Wars: How Billions of Illegal Dollars are Washed through Banks and Businesses*. Chicago, IL: Probus Publishing Co, 1992.

⁶ Ibid.

⁷ Friman, Richard H. *Narco Diplomacy: Exporting the U.S. War on Drugs*. Ithaca, NY: Cornell University Press, 1996.

⁸ Ibid.

⁹ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996.

¹⁰ Powis, Robert E. *The Money Launderers: Lessons from the Drug Wars: How Billions of Illegal Dollars are Washed through Banks and Businesses*. Chicago, IL: Probus Publishing Co, 1992.

¹¹ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996.

¹² House of Representatives. *National Drug Policy: a Review of the Status of the Drug War*. <http://www.house.gov/reform/drug.htm>.

¹³ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996.

¹⁴ Ibid, 1.

¹⁵ Powis, Robert E. *The Money Launderers: Lessons from the Drug Wars: How Billions of Illegal Dollars are Washed through Banks and Businesses*. Chicago, IL: Probus Publishing Co, 1992.

¹⁶ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996, 114.

Notes

¹⁷ Ibid

¹⁸ Ibid.

¹⁹ Ibid, 20.

²⁰ House of Representatives. *National Drug Policy: A Review of the Status of the Drug War*. <http://www.house.gov/reform/drug.htm>, 2.

²¹ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996, 116.

²² Ibid.

²³ Friman, Richard H. *Narco Diplomacy: Exporting the U.S. War on Drugs*. Ithaca, NY: Cornell University Press, 1996.

²⁴ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996,118.

²⁵ Ibid, 120.

²⁶ Ibid, 125.

²⁷ Ibid, 126.

²⁸ House of Representatives. *National Drug Policy: A Review of the Status of the Drug War*. <http://www.house.gov/reform/drug.htm>.

²⁹ Department of State. *U.S. Counternarcotics Policy Toward Colombia*. http://www.state.gov/www/global/narcotics_law/gelbard_091196.html.

³⁰ Department of State. *International Narcotics and Crime Control FY1997 Budget Request*. http://www.state.gov/www/global/narcotics_law/gelbard_051496.html.

Chapter 2

Analyzing the Cali Cartel

We are the only ones who can tell the President what to do. He will look to us. The others can't do it. So what do we do?

—Defense Secretary Dick Cheney
August 2, 1990

The problem with the United States' efforts in the drug war thus far, is a failure to attack the physical strength of the cartels. “The physical strength of an army lies in its organization, controlled by its brain. Paralyze this brain and the body ceases to operate.”¹ Our efforts so far have failed to achieve the stated political objectives. Part of the reason for this failure has been in the hap-hazard approach in which the war on drugs has been implemented. There is no congruency between national drug control strategy and execution of the strategy by the various government organizations fighting the drug war. A concerted effort must be made at looking at the overall strategic objective of the national drug control strategy and looking at the organizational structure of the illegal drug industry.

Focus of the National Drug Control Strategy

The national drug control strategy focuses on defining and supporting national policy at the strategic level. However, organizations responsible for fighting the war on drugs have been concentrating on their own individual operations—thus they are focusing on

the tactical level. These tactical level objectives are not congruent with the national level objectives. This has not always been true; however, organizational design of our drug enforcement agencies have not kept pace with our changing strategic objectives or the strategic environment that currently exists today. A concentrated effort at the strategic level is required to stem the flow of drugs into the United States.

Past drug enforcement efforts have been input-based, that is, they flow from inputs to results to objectives. For example, to prevent illegal drugs from entering the US customs agents were employed in the war on drugs. Government officials believed this would stop narcotics from crossing our borders and decrease the supply of drugs. When this failed to meet the objective, additional measures were employed, such as, radar balloons. When this still did not decrease supply, military aircraft were used to interdict the smugglers. As each new approach (input) was attempted, the results were checked to see if they met the objective.² This for the most part is still the approach today to fight the war on drugs. However, an output-based process is necessary (see figure 1). This approach starts with the national level objectives, in this case the national drug control strategy, looks at the desired results (outputs), then selects the appropriate items to target.³ To help understand the enemy at the strategic level and determine which inputs need to be targeted to achieve the objective, a closer look at the enemy's system is required.

Warden's Theory of Strategic Paralysis

Warden looks at the enemy as a system and uses this system to break down the enemy into five parts, all in an effort to identify the centers of gravity.⁴ The rings of Warden's model start in the middle with leadership, which he identifies as the most

important. Leadership is followed by organic essentials, infrastructure, population, and fielded forces (Figure 2). Warden contends it is leadership that is at the center of a system and as you move outward to fielded forces the components of the system become less important.⁵

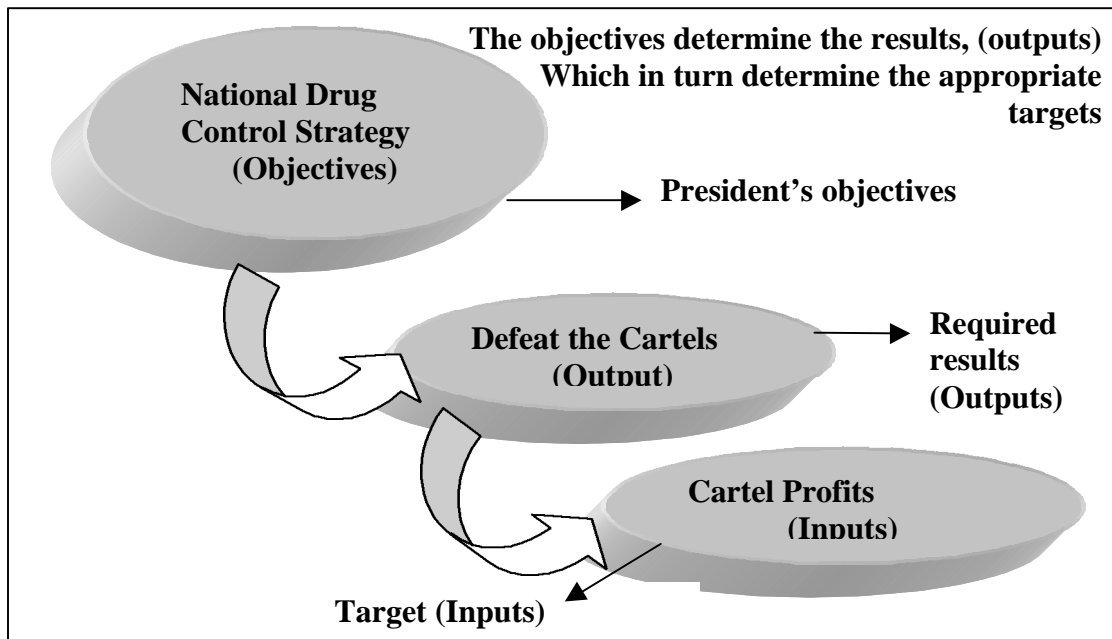


Figure 1. Simplified View of the Strategic Output-Based Targeting Process⁶

Warden's five ring model is useful in breaking the system down and identifying the component parts and helping to identify centers of gravity (COGs). The importance of COGs was identified by the 19th century military theorist, Carl von Clausewitz who believed in a single center of gravity, and defined this COG as the "hub of all power"⁷ Joint Pub 3-0, defines centers of gravity as, "Those characteristics, capabilities, or localities from which a military force derives its freedom of action, physical strength, or will to fight."⁸ On each ring of Warden's model the COGs can be identified, these COGs are the crucial element of each ring. Each ring may contain several decisive points and it is important to identify these decisive points in order to better understand the system.

Correctly identifying decisive points, according to Joint Pub 3-0 “and controlling decisive points can gain a marked advantage over the enemy and greatly influence the outcome of an action.”⁹ Decisive points are further defined in FM 100-5, as a point that “provides commanders with a marked advantage over the enemy and greatly influence the outcome of an action.”¹⁰ It goes on to say that decisive points could “include elements that sustain command such as a command post, critical boundary, airspace, or communications nodes. Decisive points are not centers of gravity; they are the keys to getting at centers of gravity.”¹¹ Warden contends that each ring maybe broken down multiple times into another five ring level to further evaluate the system and identify additional COGs. What you are searching out, are patterns to identify vulnerabilities of the system, which are the decisive points.

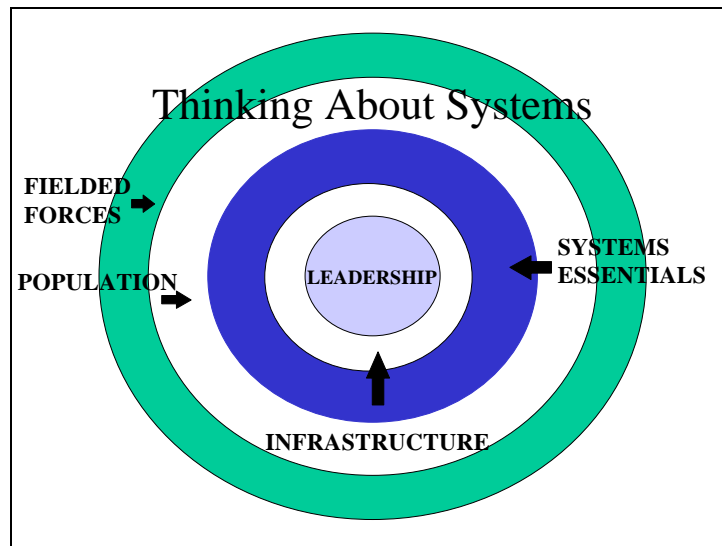


Figure 2. Warden's Five Ring Model

This model offers a way to analyze a complex system and target specific sections, or rings to induce paralysis. Warden believes that the most important ring is leadership and this ring is where the strategic planning effort should be concentrated. The leadership ring contains the eyes and ears of the system and by attacking it, either directly or

indirectly, it will induce some level of paralysis within the system. The intent of attacking or effecting the center ring is to bring about strategic paralysis from the inside out.¹²

The policy of the United States government toward the war on drugs has been inductive; however, a deductive strategy is necessary. That is, go from the big to the small. The system needs to be analyzed and addressed strategically. At the strategic level the objective can be obtained by forcing the enemy to change parts of his system to meet our objective. However, if the enemy fails to change his system, we cause strategic paralysis of his system, making it impossible for him to oppose us.¹³ It is important the United States policy makers realize this fact, as they implement US policy or a course of action, “a delay between strategic events and subsequent tactical effect”¹⁴ will occur.

Every organization has a unique set of decisive points or vulnerabilities, which are absolutely critical to the organization. A problem within one or more of these decisive points will make the functioning of the organization more difficult, because they are the keys to the COGs. If we use Warden’s example of a drug cartel (Figure 3), we see that the center ring possesses the cartel bosses, communications and security. These cartel leaders command the drug organizations; however, if we removed their ability to communicate with their organization they will have difficulty directing business as usual. By the same token, if we attacked their coca source or raw materials (organic essentials) the organization would not be able to sustain itself. Taking this example further, if we attacked their transportation systems (infrastructure), this would impact their ability to move goods and or supplies. However, unless we are able to totally destroy or interdict these lines of transportation, some activity would still occur. The problem with the

infrastructure ring of the drug cartels is that there are too many modes and routes of transportation. Moving out to the forth ring; the growers, distributors and processors; and the fifth ring; the street soldiers; removing a few of these has little impact to the overall system or organization. In fact Warden warns us:

...There is an increase in numbers of people or facilities moving from the center to the forth ring (one or two leaders, a few dozen organic or system essentials, many infrastructure facilities, and a large number of people); and the theoretical vulnerabilities decrease from the inside to the outside- largely due to the numbers involved¹⁵

The five ring model provides us with a new way to view the enemy as a system. By understanding the enemy and breaking it down using Warden’s five ring model, we can then find a way to reduce or paralyze it. The preferred approach is by using parallel attack, which is attacking a significant number of systems or subsystems at the same time. This will make the attack insurmountable and deny the enemy time to counter your attack.¹⁶

Leader	Organic Essentials	Infrastructure	Population	Fielded Forces
Leader Communication security	Coca source Conversion	Roads Airways Sea lanes	Growers Distributors Processors	Street Soldiers

Figure 3. Warden’s Five Ring Model of a Drug Cartel

Attacking centers of gravity using strategic paralysis is not always a physical endeavor in today’s information age. Of growing concern in our society is the manipulation of data via a cyber-based attack. This has already occurred and is occurring with more frequency. The Air Force as well as other governmental agencies is currently pursuing this capability. Current and future developments in command, control, communications, computers, and intelligence (C4I) technology may make it possible to

induce strategic paralysis of an enemy's system, such as a drug cartel, through a cyber attack.

Cyberspace paralysis has already occurred and it is relatively difficult to distinguish between a network system failure and an electronic attack to a system. According to *Air Force Magazine*, the January 1998 issue, in an article titled "War in Cyberspace:"

Last winter, a flood of some 30,000 messages swamped the e-mail system at Langley AFB, Va., the headquarters of Air Combat Command. They virtually shut the system down for several hours until network administrators devised programs to filter out the disruptions.¹⁷

While this was a fairly basic cyber attack, it demonstrates the future potential to paralyze a system by disrupting the computer network.

To further demonstrate how such an attack can occur, we'll look at an attack against a Fortune 500 company in New York. Last year an electronic security firm called WheelGroup, in a demonstration organized by Fortune Magazine, launched a consented attack.

They began their attack via the Internet, "bouncing" an e-mail with a deliberate error in it to gain pathway information from the returned message. They then "pinged" all of the computer ports at the target firm to see if any were open. However, the firm had invested in a good (and expensive) "fire wall," and rather than spend time trying to break through, WheelGroup went directly after the company's computer modems instead.

Beginning with an employee's business card and figuring that most of the target telephone numbers would have the same area code and three-digit prefix, WheelGroup "war-dialed" 1,500 numbers, using a program downloaded from the Internet.

Several of the numbers responded. One, a fax server at a subsidiary, invited WheelGroup to "log-in," which it did, moving deeper and deeper into the network from there. Another modem offered WheelGroup a "C" prompt, the same kind that is familiar to millions of personal computer users. Playing a guess, WheelGroup typed in "WIN," and—sure enough—was rewarded with a Microsoft Windows program screen and from there, a welcome to the corporate tax department, where all manner of information and records were stored. WheelGroup gained "root access"

in short order and, true to its name, was in position to control the networks it had targeted.¹⁸

These are just two examples of the future potential of C4I and Information Warfare to target an enemy's system and induce paralysis.

Notes

¹ J.F.C. Fuller, *The Foundations of the Science of War* (London: Hutchinson and Company, 1925), 314.

² Major Steven M. Rinaldi, "Targeting Philosophies," *Air Command and Staff College, Vol 7, Air and Space Operations*, AY1998.

³ Ibid.

⁴ David S. Fadok, *John Boyd and John Warden Air Power's Quest for Strategic Paralysis*, Air University Press, 1995.

⁵ Ibid.

⁶ Major Steven M. Rinaldi, "Targeting Philosophies," *Air Command and Staff College, Vol 7, Air and Space Operations*, AY1998. This figure was adapted for use to apply to this research. The original figure was used to depict an output-based targeting methodology.

⁷ Clausewitz, Carl von., *On War*. Edited and translated by Michael Howard and Peter Paret. Princeton, N.J.: Princeton University Press, 1976.

⁸ Joint Pub 3-0, *Doctrine for Joint Operations*, 1 February 1995, GL 4.

⁹ Ibid, xii.

¹⁰ FM 100-5, *Operations*, June 1993, 6-7.

¹¹ Ibid, 6-7 and 6-8.

¹² Col John A. Warden, "The Enemy as a System," *Air Command and Staff College, Vol 4, Operational Forces*, AY1998.

¹³ Ibid.

¹⁴ Ibid, 11.

¹⁵ Ibid, 15.

¹⁶ Ibid.

¹⁷ "War in Cyberspace," *Air Force Magazine*, Jan 98, 33.

¹⁸ Ibid, 34.

Chapter 3

Attacking the Cali Drug Cartel

We can not use capabilities and institutional arrangements we created to confront the danger of war between sovereign nations to deal with the dangers of transnational crime and narcotics. The times and circumstances call upon us...to be equally innovative, and not allow precedent or tradition to block effective response.

—Robert S. Gelbard

Assistant Secretary for International Narcotics and Law Enforcement Affairs

Americans consume as much as 80 percent of the cocaine sold in the world today. The growth, sales, manufacture, and distribution of cocaine has become quite complex. “Cocaine once moved fairly simply, from its raw material sources in Peru and Bolivia, through final processing and trafficking centers in Colombia onward to the United States.”¹ However, the drug organizations have developed into complex business systems. Cocaine now moves through a complex transportation network from Colombia through Mexico into the United States. Our current and past supply interdiction and demand reduction efforts are no longer feasible. The war on drugs has failed for three primary reasons. First, the aggressive drug enforcement strategies of the Reagan and Bush administration were not given enough time to take effect. Remember what Warden warned us about strategic policy “a delay between strategic events and subsequent tactical effect”² will occur. The Clinton administration did not allow adequate time for the policy to show tactical level effects. Plus, drug enforcement agencies are using an

input-based process to wage the war on drugs. Second, the shift in policy by the Clinton administration to an education and treatment solution allowed the drug cartels to grow and exploit new markets, at the same time increasing drug use by society. This policy also shifted the focus off the war on drugs, and left most Americans with the impression that it was no longer an issue.³ Finally, drug dealers have taken full advantage of innovations in communications and transportation technology.⁴ These innovations have made their organizations more complex, harder to detect, and have allowed them to launder-off their enormous profits into legitimate businesses.⁵

The very innovations and technology that have made drug cartels more complex, may provide us with a new means to fight the war on drugs. I will explore this possibility: by first, looking at the organizational structure of the Cali Cartel as currently known by the DEA, using an output-based process to target the Cali Cartel; and using Warden's five ring model to identify the cartel's COG and decisive points of the organization. Second, after identifying the COG and decisive points, I'll explore ways to exploit them and induce strategic paralysis through a cyber attack. For the purpose of this explanation, I will concentrate solely on the enemy's COGs. A thorough analysis would need to consider both friendly and enemy COGs.

The Cali cartel is one of the largest cartels in existence today, and is primarily responsible for the cocaine supply in the United States. The Cali cartel's organization is based in Colombia with links located around the world. The DEA has identified the basic organizational structure of the Cali cartel (see Figure 4) as their leadership with direct links to both the financial advisors and the transportation operations divisions. The cell directors are regionally responsible for sales, shipment, and management of their region.

Under the cell director are the cell heads, which have responsibility to a certain sector of the overall region. The cell heads have responsibility for the collection, distribution, and marketing of their sector. The cell heads are over the book keepers, stash house sitters, cocaine handlers, money handlers, motor pool, and others. These organizations are very secretive with little or no cross operations, except at the higher levels. The organization is set-up to very effectively distribute and handle both the flow of drugs and of money stemming from the sale of the drugs. By using this organization structure as a basis, we can apply Warden's five ring model to it.

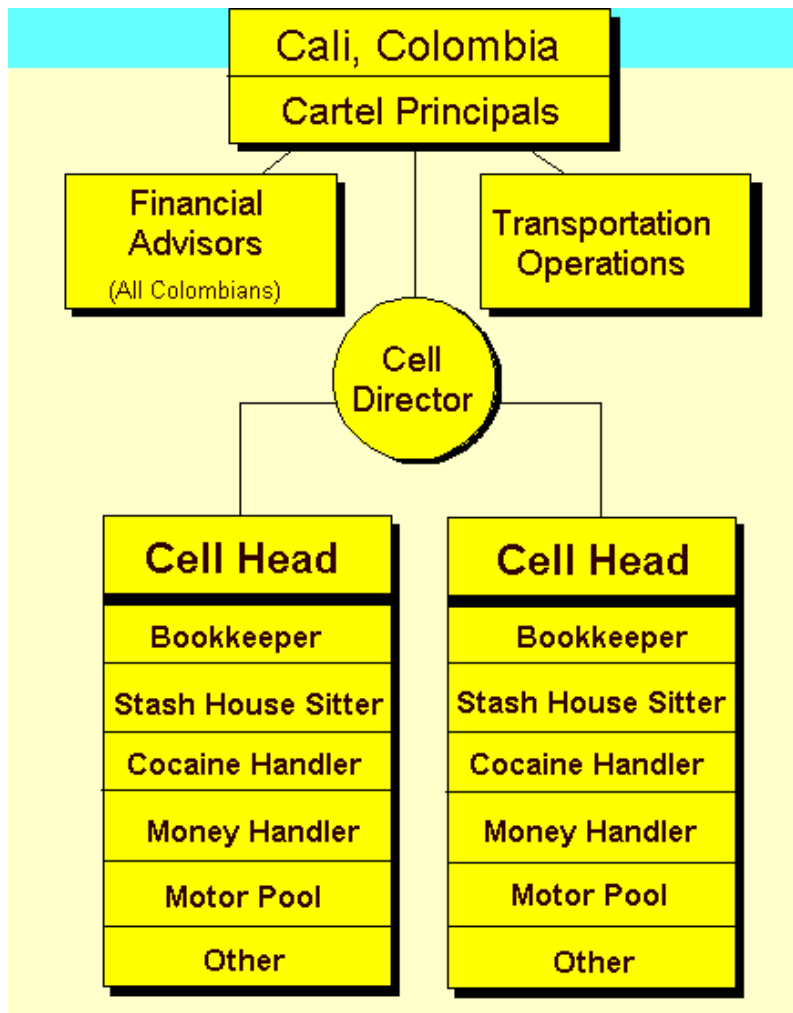


Figure 4. Cali Cartel⁶

There are actually two organizational structures presented in the DEA organizational structure chart. One representing the business interest in Colombia and one outlining the structure in the United States (see Figure 5). Both of these systems can be applied to Warden’s five ring structure. By doing this, patterns emerge between the two systems. The pattern I am primarily concerned with is communications; it is the critical node that links the system together. By tracking the communication links between the two systems (Colombia and the United States), we can find the critical links and also monitor the rest of the system.

Leadership	Organic Essentials	Infrastructure	Population	Field Forces
Colombia <ul style="list-style-type: none"> • Principals • Financial Advisors 	Colombia <ul style="list-style-type: none"> • Coca Source Conversion 	Colombia <ul style="list-style-type: none"> • Roads • Airways • Sea Lanes 	Colombia <ul style="list-style-type: none"> • Growers • Distributors • Processors 	Colombia <ul style="list-style-type: none"> • Street Soldiers
United States <ul style="list-style-type: none"> • Cell Directors • Bookkeepers 	United States <ul style="list-style-type: none"> • Cocaine Handlers • Money Handlers 	United States <ul style="list-style-type: none"> • Motor Pool 	United States <ul style="list-style-type: none"> • Stash House 	United States <ul style="list-style-type: none"> • Others

Figure 5. Cartel’s US Vs Colombia Organization

The cell directors in the US receive their supply of drugs from the distributors in Colombia. The primary transactions between the distributors and cell directors are via one of two medians; telephone and/or internet. These mediums utilize the telecommunications network and can be monitored through space based and land based assets. Once the distributor has an order, it must be filled. The distributor must communicate with the transportation system for a means to deliver the product. He must also communicate with the processors and growers to order the product. These communications can be monitored too. The terrain and infrastructure within Colombia

and the growing regions makes communications difficult except by cellular phone, telephone, or two way radio. All of which can easily be monitored by available systems (see Figure 6). It must be assumed that the distributors have indirect ties to the leadership of the cartel as well as the financial advisors. This is apparent for a couple of reasons. First, in order to cover the cost of transportation and purchasing the product from the processors, the distributor must have access to the leadership's chain of command. Second, once the distributor sells the product to the Cell Director, he has to turn over the money or the receipt of the transfer to someone with financial ties. The leadership's

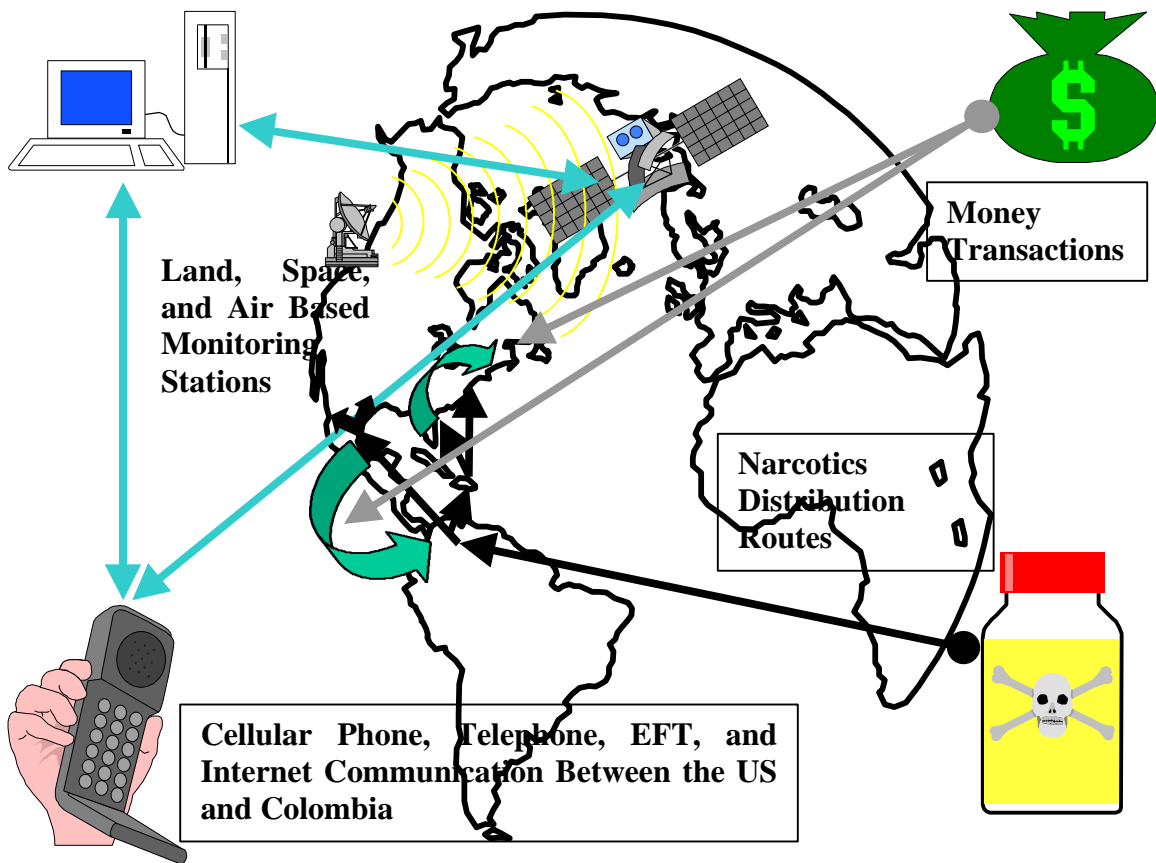


Figure 6. Drug Trafficking and Communications Flow

ability to manage and conduct business comes from the distributors, which are a vulnerable part of the system and a decisive point. Once these distributors are located it

is only a matter of time until the communications monitoring will lead you to the leadership of the cartel.

Why is this important? We already know most of the Cali cartel's senior leaders. Yes this is true, however, they are still able to operate very effectively and have been able to increase their sales and distribution networks. The Cali cartel, as with any of the other business is profit driven. We need to change our approach in attacking the cartels. Why do businesses fail? They fail, because they can not make a profit and no longer can afford to stay in business. While this is a very simplistic answer, it is an important one. By using my communications example above and monitoring the internet and telecommunications exchanges between the Cali principals and the financial advisors and the financial advisors and banks and businesses, soon you can understand where the system makes and invests (launders) its money. This is the life blood of the system—the most important center of gravity!

The system as described above is very dependent on communications. Communications both telecommunications and internet communications are at the heart of the system. They provide the information on sales, distribution, refinement, growth, and profit. These communications are the key elements that link the system and allow it to work so effectively. The primary center of gravity, the hub of all power for the Cali cartel is money! Money is what makes the system function. Information superiority through emerging technology and the Cali cartel's dependence on both telecommunications and internet services are how to defeat the enemy.

To attack the center of gravity (money) and the decisive point (distribution) an interagency team is necessary. First, elements of the Air Intelligence Agency (AIA)

should provide tailored support to obtain information superiority by providing Sensor Harvest⁷ assets to the interagency team. Additionally, AIA should be responsible for providing Air Force Information Warfare Center (AFIWC) Personnel to work with other agencies to penetrate the communications and internet computer systems of the Cali cartel by exploiting their computer systems through net warfare. This would provide root access to the cartel and the inter workings of their business. By gaining this root access the cartel's computer system could be exploited and conquered, this would allow transportation or distribution to be re-directed, tracked, or captured. Also, by gaining root access to the cartel's computer systems should permit access to monetary assets, such as bank account numbers, money disbursements, and other related investments and business practices. This information could be used to flush out illegal money laundering activities or to actually divert these funds from the cartel accounts to other accounts. Considering the vast amounts of money this system generates each year it is logical to assume a large share of the funds are transferred via electronic funds transfers (EFTs). When the funds are transferred from one source to another, in an attempt to layer them, they can electronically be diverted. Second, members of the DEA, IRS, FBI, etc, and their international law enforcement counterparts would need to be part of this effort, because of the transnational nature of the drug problem. By looking at the lessons learned from Operation Dinero⁸ and similar operations these organizations could work closely with AIA members to target the appropriate banking and financial enterprises.

Notes

¹ Department of State. *International Aspects of U.S. National Drug Control Strategy*. http://www.state.gov/www/global/narcotics_law/gelbard_091296.html.

² Col John A. Warden, "The Enemy as a System," *Air Command and Staff College, Vol 4, Operational Forces*, AY1998, 11.

Notes

³ Bertram, Eva [et al.]. *Drug War Politics: The Price of Denial*. Berkeley: University of California Press, 1996.

⁴ Department of State. *International Narcotics and Crime Control FY1997 Budget Request*. http://www.state.gov/www/global/narcotics_law/gelbard_051496.html.

⁵ Department of State. *U.S. Law Enforcement Response to Money Laundering Activity Associated with the Importation of Illegal Drugs Via Mexico*. http://www.state.gov/www/global/narcotics_law/winer_090596.html.

⁶ U.S. Department of Justice - DEA. *Cali Cartel Organizational Structure*. <http://www.usdoj.gov/dea/stats/cp-265.htm>.

⁷ Sensor Harvest is a command and control warfare and information warfare tool designed to support strategic and operational planners.

⁸ http://www.usdoj.gov/dea/pubs/briefings/4_5.htm. Operation Dinero was a DEA operation that began in 1992. The operation penetrated the Cali Mafia and were commissioned by the Colombian Mafia to arrange money pickups in the US and Europe. This was a two phased operation, phase I concentrated on connections between drug trafficking and drug cell money groups in the US. While phase II concentrated on providing a Class B bank to serve as a money laundering serve to the Columbia Mafia.

Chapter 4

Conclusion

Our hemisphere is ready to stand up to the cartels. Drug trafficking shall not prevail. They will be defeated.

—Vice President Al Gore

During the Cold War we were fighting a monolithic enemy, communism. However, today we face a new and different strategic environment. Where transnational crimes such as drug trafficking and money laundering bring about both regional and global challenges that we must face. The chains of governmental policies that have emerged to counter the illegal narcotics trade have failed to recognize the problem as transnational. Instead, the policies have been directed at demand reduction and source reduction. Both of these efforts have had varying results and the impacts of these policies were lost during President Clinton's first term in office. His administration's policy of education and treatment, plus de-emphasizing the war on drugs allowed the cartels to blossom into very large and influential multinational corporations. "To confront the problem directly, it is more helpful to view drug trafficking as an international business or, more accurately, as a commodity trade conducted by transnational consortiums."¹

The drug cartels can no longer be viewed or fought in Cold War venues, they have evolved during the last two and a half decades into complex business organizations who have taken advantage of the changing strategic environment and emerging technologies

to expand their organizations in the global market. The traditional input-based approach of stopping the illegal flow of drugs is no match for these highly sophisticated and innovative organizations. According to a study conducted by the Center for Strategic and International Studies:

The revolution under way in the global financial and banking markets, the Cali cartel has found all three of these phases² to be much more easily handled...The drug financial networks also are benefiting from the integration and the increased efficiency of the global banking system, a development that allows money launderers to layer money with virtual impunity. Electronic fund transfers are almost impossible to track, simply because the volume is so great. In 1991, for example, the Clearing House Interbank Payment System (CHIPS) handled some 37 billion transactions valued at \$222 trillion.³

The cartels believe that they can operate in the financial markets to launder their ill gotten booty and their heavy dependence on both telecommunications and the internet provide a vulnerability to attack their system.

By using an output-based process and fully leveraging the emerging technologies and our ability to intercept communications can provide a means to effectively attack the drug cartels. By forming an interagency working group consisting of the different members of the drug enforcement community and their international law enforcement counterparts plus AIA, a comprehensive approach to exploiting these emerging technologies can be planned.

What can be done? The following recommendations emerged from the findings of this research. First, a new approach is necessary. The drug cartels have become highly sophisticated businesses, which have taken full advantage of recent technologies and the evolved strategic environment. This has allowed their organizations to grow and diversify, permitting them to effectively launder their profits into seemingly legitimate businesses. The communication systems of the cartel need to be monitored and the

computer systems need to be penetrated. This will supply the missing link of the inter workings of the cartels. This information needs to be provided to an interagency working group who has experience in banking, international financial workings, and transportation / distribution networks. As alluded to above, trafficking and EFT are difficult to intercept because of the sheer numbers. However, by penetrating the Cali cartel's computer system and intercepting their communications, the EFT numbers and accounts become available, as do the transportation and distribution records. With this information it is very easy to trace the flow of money through the international system. The legitimate businesses fronting for the money launders, as well as the funds, could easily be seized in turn bankrupting the Cali cartel. The Cali cartel, just like any business is highly dependent upon money to continue operating, however, they will no longer have control over it. Additionally, their transportation network can be paralyzed by obtaining their movement and shipment records. By attacking these systems at the same time, strategic paralysis will cripple the Cali cartel, and deal them a blow which if does not destroy them, will surely hamper and severely reduce their ability to operate in the global market. Second, the United States needs to increase its efforts to counter the illegal narcotic trade multi-nationally. Tactical level efforts, by drug enforcement agencies, are no longer adequate to fight the war on drugs. A strategic level approach using an output-based process is necessary. The nature of this transnational crime demands a global effort to counter it, not just a national effort. The US should provide leadership to an international drug control agency of some sort. The international community could benefit greatly from the US drug enforcement experience. Finally, cartels need to be destroyed as soon as they are discovered. The drug cartels in existence today are highly adaptive and

flexible organizations modeling themselves after multi-national corporations. If they are not destroyed in their infancy they blossom into large diverse companies. Because of the tremendous profits in the drug business, as long as there is a demand, there will be a cartel to make a profit.

To summarize, the current drug control strategy and policies will not work. We are attempting to fight a modern enemy with outdated equipment. The cartels have taken advantage of the expanding global communications, banking, and transportation systems; if we are to stop this growing transnational crime, we need to take full advantage of the emerging technologies and take a new approach to fighting the war on drugs.

Notes

¹ Flynn, Stephen E. *The Transnational Drug Challenge and the New World Order: the Report of the CSIS Project on the Global Drug Trade in the Post-Cold War Era*. Washington D.C.: Center for Strategic and International Studies, 1993, 9.

² Ibid. The study talks about how the Cali cartel launders its money. 1. Placement. Drug proceeds are initially laundered through deposits or purchases of monetary instruments or securities capable of being turned into cash elsewhere. 2. Layering. The money is then hidden through multiple electronic fund transfers or other transactions. This process blurs the illicit origin, making the funds difficult to track. 3. Integration. The source of the money disappears by investing it in seemingly legitimate accounts and enterprises.

³ Ibid, 12.

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