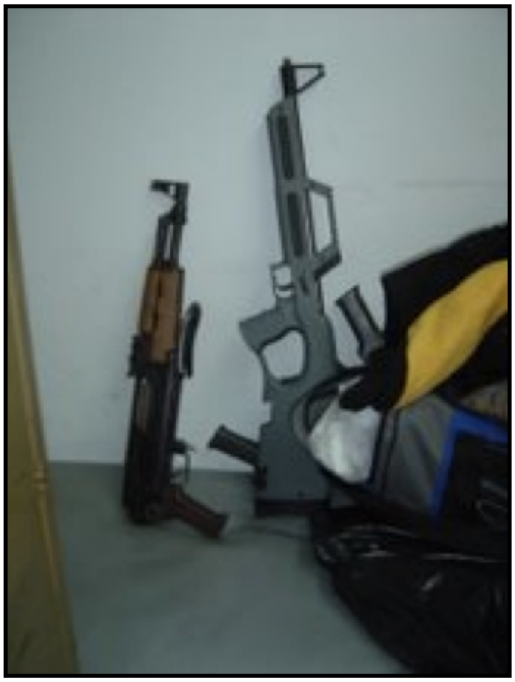
Gunrunning to Mexico; a four-part series

These stories document Mexico's black market hunger for American guns. The hidden cross-border trade is hardly a new phenomenon and for decades has occupied a back burner in the national policies of both countries. But with Mexico's drug war body count surpassing 6,000 in a single year, 2008, a figure that almost flatters the number of American dead in Iraq, the weapons smuggling issue has been suddenly thrust to the top of Mexico's policy agenda. That reality holds important implications for American taxpayers and legislators as Mexico presses the U.S. for action. While drugs flow north, much to American consternation, American guns are in turn flowing south, powering a literal civil war pitting Mexican drug syndicates against one another and the state. To bring clarity to this gathering foreign policy issue, Express-News reporter Todd Bensman, with photographer Jerry Lara, traveled extensively on both sides of the Texas-Mexico border. Bensman examined hundreds of court records, and interviewed federal police, diplomats and government officials in Mexico and the U.S. He interviewed a former cartel assassin, gun store owners and convicted felons in the trade. And he traveled deep into Mexico to record the human impact behind the body count statistics that American guns have wrought.

Part I:
Gunrunner's Land of Plenty



The Walther G22 (at right) just weeks after it was purchased legally at a Laredo, Texas gun store, smuggled 475 miles into Mexico and recovered at the scene of an Aguascalientes ambush murder of four police officers. An AK-47 next to it also was recovered but not traced. Photo obtained by Todd Bensman

Gunrunning to Mexico; a four-part series

AGUASCALIENTES, Mexico — In the vivid dreams that now comfort 17-year-old Angelica Navarro Calderon, her father often comes to visit, dressed in his police uniform. The bullet hole between his eyes has vanished. Nine other bullet wounds in his chest, arms, leg and back are healing beneath white bandages.

Father and daughter banter about life, just like they did before narcotics traffickers killed him and three other police officers at noon on a busy street last year on a day now known as "Black Thursday." She recounted her dreams in the cluttered three-room family home, where a photo of José Juan Navarro Rincón adorns a living room wall and his desk. He looks military proud under his service cap.

I dream that he is planning my birthday parties once again, and that we are all together talking again," Angélica, one of his three children, said through an interpreter. "In that dream, my father is making my mother laugh. He told me to watch over her. And then he said, 'It doesn't matter, it was my turn.'."

Angélica's father had worn a police badge for 23 years in this Central Mexico state capital, rising to subcommandante and, at 40, was nearing retirement. The hail of bullets came so fast neither he nor his fellow officers had time to fire a shot.

Even if they had, their old .38 caliber revolvers would have been no match for some of the weapons that the cartel gunmen wielded that day: body armor-penetrating assault rifles and semi-automatic pistols.

It turns out that some of the weapons found where the four policemen were killed, including a Walther G22 assault style rifle and a Beretta M9 semi-automatic handgun, began their 475-mile journey from a cramped private gun store overlooking the Rio Grande in Laredo,
Texas.

Gunrunning to Mexico; a four-part series

It's against the law to own or sell such guns under Mexico's strict regulations, but as cartels on the warpath know, they are readily, abundantly and legally available at the Main Street sporting goods stores and gun shows of the United States.

Texas is the cartels' primary source for the tools of their trade because of the state's abundance of retailers, proximity to Mexico and a cultural affinity for firearms that make them household items.

The cash-rich cartels pay handsomely for "straw buyers"— people with a clean criminal record who can easily skirt gun laws without suspicion — to acquire the lethal firepower from licensed retailers, gun shows and private sellers, sometimes leaving no paper trail before handing them over to killers.

The story of how some of the Laredo-purchased guns ended up in the hands of Aguascalientes drug enforcers on black Thursday illuminates how undemanding U.S. gun laws, ample drug money and cunning cartel procurement tactics feeds a drug underworld insatiable for firepower.

The southward passage of the Laredo guns also illustrates how law enforcement agencies now ramping up a new border-wide supply line crackdown with Mexico might be hamstrung to stop the flow in coming years.

Gun smuggling to Mexico is nothing new; it dates back to the late 1960s when a Mexican government dealing with student radicals enacted severe gun ownership restrictions. But the violence now plaguing the government of President Felipe Calderon's federal, state and local police has propelled the issue to the very top of the country's foreign and domestic agenda. Recently, after much pressure and sometimes bombastic Mexican statements, the idea has caught on with the Americans who have ramped up joint operations.

Texas, for obvious reasons, is a focal point for much of the new law enforcement and intelligence activity.

Last year, Texas sellers were the source of 1,131 guns found discarded at shootings in Mexico or confiscated from the cartel gangsters, according to the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. That's more

than twice the number of runner-up California and more than the combined total of 13 top other states. An untold number of guns couldn't be traced or are still hidden in Mexico waiting to claim the next victim.

The cartels discriminate when it comes to weapons. Generally, the more lethal, the more desired. They're willing to pay more than double the retail price. Some of the hardware is military grade — rocket launchers and grenades coming into Mexico through Guatemala.

But most of the armaments is coming from America. Some of the assault-style rifles preferred by the narcos are so pernicious that, if modified to fully automatic as they often are, they can fire 10 rounds a second with a force that can rip through most standard armored police vests. They are so prized that they command double the usual U.S. retail price. And they are so prevalent these days that Mexico authorities have seized 13,000 of them in the last two years, along with thousands of other guns and 3 million rounds of smuggled ammunition, much of it also bought from U.S. retailers.

Illegal arms have been used to kill more than 4,000 people in Mexico this year alone, a huge spike. When President Felipe Calderón declared war on the narcos two years ago, the cartels, already battling among themselves, answered with violence against police and military personnel. Since then, 600 Mexican police and soldiers have died in the line of duty, and the blood thirst for weapons has grown as the cartels expand their private armies.

Under intense pressure from the Calderón government, the U.S. has only recently begun to commit more people and resources to catch gunrunners and work in tandem with Mexico.

"If you've got a neighbor who's got a dam behind his house and it's starting to leak, it doesn't do much good to wait until it breaks to go fix it," said J. Dewey Webb, head of the Houston office of the ATF that oversees much of the Texas border. "We have a responsibility to help him before that happens. The Justice Department has made this one of (its) top priorities."

Senior Mexican law enforcement officials and diplomats said the Calderón government plans to press President-elect Barack Obama's transition staff to make gun smuggling a continued law enforcement priority and develop new legislation in the Democratic-controlled Congress that would make it easier to track weapons sales to the smugglers.

Gunrunning to Mexico; a four-part series

"This is a critically important challenge for Mexico, Mexico's security and Mexico's ability to roll back and shut down some of the drug syndicates," said Mexico's ambassador to the U.S., Arturo Sarukhan. "We have a responsibility to stop drugs moving into the U.S., but the U.S. has a responsibility to stop the flow of weapons moving into Mexico."

Against the backdrop of a developing partnership on the gunrunning problem, the Aguascalientes murders triggered a doomed trafficking investigation on Texas soil.

Elusive leads

An armored Suburban carrying several cartel gunmen, along with cash, weapons and bulletproof vests, somehow rolled over in downtown Aguascalientes on Feb. 15, 2007. Rincón and his fellow municipal police officers, Juan Rivera Molina, Eduardo Flores and Genaro Salas Sandoval, responded in time to arrest the men offloading their illegal belongings into another Suburban that had arrived.

Moments later, according to police, cartel fighters drove up in a third Suburban and staged a rescue. Holding the officers at gunpoint, they freed their men and equipment. Then they sprayed the officers with machine guns and at least one pistol, wounding several other officers and bystanders.

Today, crosses erected by the men's families mark the otherwise banal spot where it happened. The killings signaled the arrival in Aguascalientes of warring drug gangs, a scourge that had somehow bypassed it and now won't depart.

Gunrunning to Mexico; a four-part series

The scene of the ambush today. Crosses mark the otherwise banal spot
photo by Todd Bensman

María Elena Ortiz Gaitán, the 36-year-old widow of Juan Rivera Molina, raises the couple's children, ages 5 to 16, alone. One recent evening in the family's spartan home, María gathered around the kitchen table with her children to look through the items removed from her husband's pockets: bloodstained pay stubs and an identification card partly clipped by one of the dozen bullets that killed him.

For a long time she could not cry. To get through life she imagines her husband of 17 years is working in the U.S. as he did in the years before he became a police officer.

María, a secretary at a health clinic, maintains a steely demeanor; she said she must be strong for the children. It hasn't been working though. Recently, her daughter's kindergarten teacher called to report the 5-year-old announced she would commit suicide so she could hug her father again. Other kids had offered to help.

Gunrunning to Mexico; a four-part series

She sat the girl down and explained that "God gave us life and we need to stay here," María said as her daughter stood beside her clasping her father's photo. "Her father would be very sad if she continued saying such things."

The 5-year-old daughter of murdered police officer Juan Rivera Molina holds a family photo of her dad. She has contemplated suicide for a chance to be with him again. Photo by Todd Bensman

Asked how she feels about the guns coming from the U.S., María was resigned. Even if the ones that killed her husband had been stopped at the border, she said, "Other guns would have been smuggled in, and he would have died anyway."

Maybe so. But both governments act as though they mean business.

The body count in Mexico — and appeals for American help — has finally had an effect. The ATF is expanding its program in Mexico to trace the paths of more guns from the U.S. and is sending more agents southward.

They and other security agencies like the FBI and Immigration and Customs Enforcement have launched border-city programs with names like "Operation Gunrunner" and "Armas Cruzadas" to hunt for straw buyers.

Gun show sellers and store retailers report a noticeable increase in ATF visits in the last year. Involved law enforcement officials admit it will be tough to make even a small dent.

"It's a difficult task, but it can be done," said Webb, the ATF's Houston division head. "Will we ever stop it to zero? No. But we can make it to where it's difficult for the cartels to get the tools of their trade."

After Black Thursday, the ATF got word of a promising break: Mexican authorities were able to capture the suspects and turn over the serial numbers from some of the guns to ATF agents in Laredo, who hoped information from the suspect interrogations would later aid their trafficking investigation. A week after the shootings, ATF agents had followed the serial numbers to Universal Sporting Goods in Laredo, looking for the smugglers' trail.

Points of origin

The tiny shop, between crumbling one-story buildings along Water Street, is two blocks from the river and one of the closest in the country to Mexico.

Gunrunning to Mexico; a four-part series

It's so close, in fact that had owner Hart Raesch stepped outside his shop door a couple of years ago he could have easily heard the daily crackle and explosions from open warfare that devastated Nuevo Laredo.

Raesch, a tall, gray-eyed immigrant who still sports a German accent, has made a decent living from the store for 19 years. A wide assortment of rifles, among them a half-dozen AR-15-style assault rifles, lined one wall. A tag on one said it was reserved for "Tony the Tiger." Ammunition boxes lined lower cabinets, and new handguns beckoned in glass cases.

ATF visits are nothing new to Raesch, especially in the last few years, so he knew the drill.

Raesch handed over receipts that showed the buyer of a Beretta M9, Fabrique National PS90 assault rifle and Walther G22 was a 28-year-old Laredo resident named Raúl Alvarez Jr. The buyer had put the guns on layaway six months earlier. Raesch told the agent that Alvarez had recently returned with cash and took the guns away.

Selling assault-style firearms has been legal since Congress let the ban expire in 2004 under pressure from gun lobbyists.

The law requires only that dealers run an instant FBI background check to make sure a buyer doesn't have any disqualifiers, like a felony conviction, is a U.S. citizen and signs a form attesting that the weapon isn't for someone else.

Sellers like Raesch could get be charged with a felony if they knowingly sell weapons destined for Mexico, but that's hard to prove and there's no evidence he did so. Raesch simply said he and the buyer, Alvarez, had met all the requirements. The agent had no reason to linger.

When recently told some guns he'd sold to Alvarez had been found at the murder scene of four Mexican police officers, Raesch shrugged and expressed a common sentiment among border gun dealers: Guns don't kill people; people do.

"If a guy wants to use it for illicit purposes," he said. "It's not my responsibility."

Raesch is correct, legally speaking. But many dealers along the border admit that straw buyers do slip in and out with guns; it is, after all difficult to distinguish bad guys from good by just a driver's license and clean criminal background.

Raesch and many of his fellow retailers say they do have scruples, though. For instance, they'll refuse buyers who flash wads of cash or order large numbers of certain gun types, or just don't seem right. But there's still no obligation that they turn down lucrative sales.

"There's a line between legal and ethical," Raesch said. "When I see those cholos coming in, I just say, 'Hey, go to Academy,'." referring to the Texas-based sporting goods chain.

Asked if Alvarez raised any red flags, Raesch said he didn't think so. Alvarez, after all, bought the guns on layaway.

"That's not like a guy that's supplying the dope dealers," Raesch said. "That's crazy."

Easy money

The Nuevo Laredo brothel owned by the mother of Raúl Alvarez Jr. seems out of place amid the rows of broken-down bordellos that crowd the city's pink-walled "Zone of Tolerance," or Boys' Town. Prostitutes amble up and down the uneven gravel streets strewn with garbage picked over by skeletal dogs.

The Danash Mens Club is newly built in the garish likeness of a medieval castle. It's all bright lights outside and shiny gold dance poles inside on a main floor covered over by plush, red cushioned seats.

In a recent interview, Alvarez explained that drug syndicate operatives prefer the Danash to the other zone brothels for what are to him obvious reasons.

"We have the best girls," said Alvarez, whose rail-thin body and boyish features make him look far younger than 29.

But even though the narcos often take the girls away for days at a time without paying, they otherwise let him and his mother operate the family business without too much meddling.

Knowing what Alvarez did with the guns would help the ATF move one step closer to the smugglers. It would be illegal but tough to prove if Alvarez had fronted for a cartel contact from the club. Alvarez (later arrested smuggling ammo; read story here) must have sensed trouble for himself when an ATF agent called, especially when the agent told him during an initial phone call "there was a mess down in Mexico" involving some guns Alvarez bought.

He hired a Laredo lawyer known to defend drug-trafficking suspects and then refused to talk further to the ATF.

Alvarez would have had an easy out anyway.

Current law allows gun owners to sell their personal collection to any buyer without doing a background check or paperwork, as long as they're not doing so as a business. Selling weapons in this way is known as "the gun show loophole" because so many private collectors buy and sell at gun shows, with no intention of making a business of it.

But gun smugglers and some private American sellers have learned how to exploit the loophole to divert a portion of the unrecorded trade to Mexico, ATF agents say.

To stay out of trouble, all a reseller like Alvarez would have to tell the ATF is that he bought the guns for himself and simply sold them to a friend or stranger. That's pretty much what Alvarez told the Express-News he did.

Alvarez explained that in late 2006 he wanted to escape the cartel violence plaguing Nuevo Laredo where he and his wife lived with their newborn son. But he'd come up $10,000 short for the house he wanted to buy across the river in Laredo. Coincidentally, Alvarez continued, he happened to see the science fiction TV show "Stargate" and loved the assault rifles the actors were using to blast aliens.

"I've always liked guns," he said. "I saw it on TV. I liked it. I wanted it."

In the fall of 2006, he put some traditional hunting rifles on layaway with Raesch, plus the Walther G22, Beretta M9 and PS90. After picking them up months later, he said he was test firing them at a private Laredo shooting range when a stranger approached. The man introduced himself as Pedro Perez and offered to buy the assault rifles and the handgun for $5,000 cash on the spot.

"I needed the money, so he gave me money," Alvarez said. "I can't read minds like a psychic. If I knew he was going to use guns to get me in trouble, I wouldn't have sold them."

County records show that Alvarez put down about $22,000 on his new house in April 2007, not long after the Aguascalientes killings.

Asked how he felt about his resold guns ending up at such a killings in Mexico, he responded: "Guns don't kill people; people kill people."

After the guns left Alvarez's hands, the trail went cold.

But if known smuggling patterns are any indication, Alvarez's shooting range buyer was either a cartel procurer or someone close to them. Someone would only have had to drive the guns over the international bridge and then 12 hours to Aguascalientes.

Whoever was involved delivered them to a particularly vicious Sinaloa cartel faction that has sought to control the city as a drug transit route from the Pacific to the U.S.

According to the newspaper Reforma, fatal cartel violence in the region spiked with the Black Thursday murders — from just 2 in 2006, to 27 in 2007 and 35 this year as of November. Local tabloids are full of lurid details involving shootouts, mutilated bodies and organized kidnappings at the hands of gunmen.

For the ATF, there was only one last chance to roll up one Texas gun trafficking line that had equipped them: the results of Mexico's murder investigation.

Gunrunning to Mexico; a four-part series

Imperfect alliance

But the ATF wouldn't get much from their Mexican counterparts, who imposed an almost total information blackout about the arrests of 14 suspects, including the alleged shooters.

Not even the four widows know what happened to their husbands' alleged killers. The mystery extends to local journalists and municipal police, who are told only the arrested are still in prison but not tried. And, federal authorities have so far refused Express-News interview requests to discuss the case.

The ATF's Elias Bazan, who oversaw the Laredo office at the time, said Mexico's investigators squandered an opportunity to provide the results of their interrogations and any evidence, outside of the guns' serial numbers, that would point to how the weapons were smuggled from the Laredo side.

"We don't have anything from the Mexican government, so we're screwed," Bazan said of his Laredo investigation, which was shut down as a result.

Another example of coordination problems occurred this month. Mexican authorities in Reynosa across the border from McAllen, seized the country's single largest stash of cartel weapons — nearly 300 assault rifles, shoulder-fired grenade launchers and a half million rounds of ammunition.

But weeks later, Mexican authorities still have not allowed the ATF access to serial numbers that would help them track down the buyers and traffickers on the U.S. side.

To be sure, cartel corruption and intimidation of Mexican law enforcement at every level and in every agency has caused some dysfunction. Mexican agents and supervisors with institutional memory and experience are often transferred for security reasons, if not outright arrested for acting as cartel double agents.

Earlier this year, the Calderón government deployed army troops to search entering vehicles at the border for munitions. But the Express-News observed the soldiers conducting at best cursory searches without any

standard equipment, such as X-ray machines or even simple hand-held pole mirrors that can provide a view under vehicles. The army does expect to receive such monitoring equipment next year as part of the $1.6 billion Mérida Initiative that Congress approved to help the Calderón government go after the cartels.

Commander Jesus Manuel García, who oversees Aguascalientes police department operations, said he believes gun smuggling from America has made it possible for narcos to murder three more of his officers since Black Thursday, so he was not surprised to learn that Laredo-bought guns might have been involved. His force of 1,200 officers is under siege and outgunned.

García is scrambling to keep the body count down by slowly upgrading the department's old .38 service revolvers with semi-automatic handguns and assault rifles. New tactical training compensates for some of the arsenal gap.

The police department's old stocks of .38 caliber handguns are gradually being replaced.
Photos by Todd Bensman

But García recognizes there's another way to protect his cops: cooperation between governments at their common border. He doesn't see it happening from his perch.

"I know that international agreements exist," he said. "What is not going right is the communication. As a representative of the police force in this municipality, I must ask the appropriate national authorities to perform the coordination."

Gunrunning to Mexico; a four-part series

One consequence of the imperfect alliance between Mexico and the U.S. is that whoever bought the guns from Alvarez and got them to Aguascalientes is presumably still operating.

Laying blame

In the shadow of Aguascalientes' famous natural landmark called Dead Man's Mountain, a row of graves in the public cemetery keeps growing. The four Black Thursday victims are buried there under chalk-white tombstones and next to one officer assassinated two months earlier and three more since then. There's room for more.

Angélica Calderón Nuñez, the widow of Rincón and mother of Angélica and his two other children, approached his tombstone one day earlier this month and tenderly rearranged a fallen plastic flower arrangement. She stood silently over the grave for several moments, tears leaving wet tracks down her face.

Gunrunning to Mexico; a four-part series

Angelica Calderon Nunez, widow of murdered police officer Jose Rincon visits her husband's grave site on a row filled with the remains of his fellow officers.

Then she crossed herself, turned and walked away. For Angélica and the other widows, the consequences of losing husbands, fathers and breadwinners have not subsided. The financial settlements, along with posthumous department medals that all four families received, did little to alleviate the pain and psychological trauma for them and their children.

"Life hasn't been the same. Things changed completely," Angélica said. "You don't feel like doing anything. You're not interested in anything. There's no drive for life. My children ask a lot for their father. They miss him. They want to hug him."

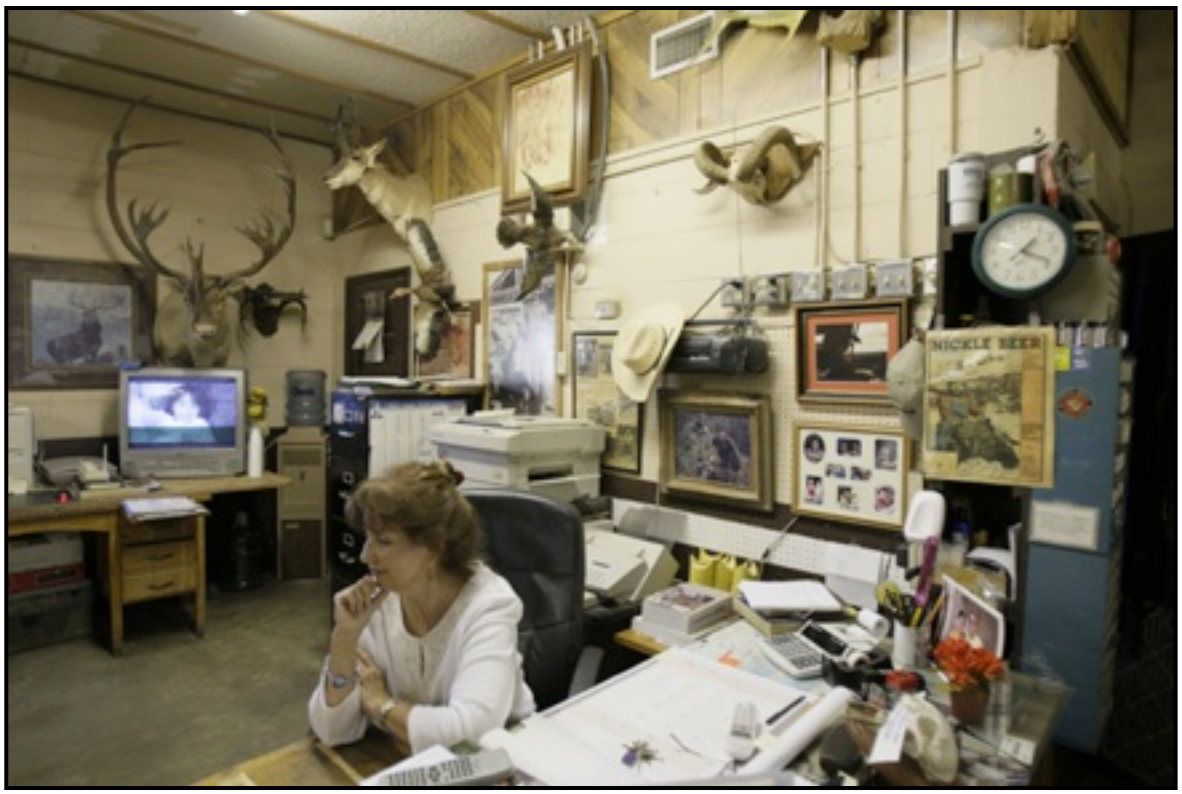
Angélica knows the guns that killed her husband probably came from America, but she doesn't know who to blame: the thugs who used them, the dealers who sell them, or the authorities that can't seem to stop the smugglers.

"We all know they come from there," she said, referring to America. "I just can't explain why they keep coming in."

Staff writer Sean Mattson and staff photographer Jerry Lara contributed to this report.

Part II:
The sellers: merchants torn between profit and conscience

How flexible laws, a blissful ignorance and profit motive enable U.S. gun retailers to feed Mexico's bloody civil war



Gunrunning to Mexico; a four-part series

Diana Villarreal of "Mando's Guns and Ammo" Photo by Jerry Lara

International gun trafficking prosecutions against licensed gun dealers are relatively rare. The law provides more protection to sellers than to any other part of the supply chain delivering weapons to Mexico's drug cartel foot soldiers. Much of the current U.S. law enforcement activity targets the battalions of shadowy "straw buyers," U.S. citizens who can pass the mandatory FBI background check. But straw buyers couldn't do business without their witting and unwitting trading partners, American gun merchants.

LAREDO, Texas — 2003 was a very bad year across the Rio Grande in Nuevo Laredo. But it was a very good year for Mando's Guns and Ammo in this South Texas border city north of the river.

As open warfare between rival drug cartels were filling the streets of Nuevo Laredo with bodies that year and the next, Armando and Diana Villarreal, owners of Mando's, were prospering from a seemingly coincidental spike in demand for AK-47 semi-automatic assault rifles.

"We were selling in quantity," recalled Diana Villarreal, who took over the store after her husband died in late 2006. "We weren't getting rich, but it was nice to have money to buy extra things."

Among those things was a 51-acre ranch outside of town.

Federal agents, though, eventually learned the spike in Mando's business and violence across the river was no mere coincidence. More than 50 AK-47s recovered after the heat of battles in Nuevo Laredo were traced to Mando's.

In October 2006, Villarreal died of cancer just before federal prosecutors could make a rare example of him as a federally licensed firearms dealer who crossed the legal line into weapons trafficking. According to officials with the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, a long-running investigation had produced enough evidence to charge Villarreal with conspiracy to make illegal sales, knowingly sell to felons and illegal export to Mexico.

Gunrunning to Mexico; a four-part series

"We were really, really close to putting things together," said ATF Special Agent Elias Bazan, who oversaw the Laredo office at the time and now works in McAllen. "An incredibly disproportionate number of these weapons were traced to him. He sold literally hundreds and hundreds of AKs and they're still out there, and they're going to be recovered for a long time to come."

International gun trafficking prosecutions against licensed gun dealers, compared to cases made against those who buy and do the actual smuggling, are relatively rare. But even in its rarity, the short-circuited Mando's trafficking investigation exemplifies a problem that has been propelled to the top of the domestic agendas for both the U.S. and especially Mexico: where in the supply chain to cinch the flood of assault-style weapons from American gun sellers to cartel foot soldiers.

Much of the current U.S. law enforcement activity targets the battalions of shadowy "straw buyers," people with clean criminal histories that Mexican drug cartels send with money into American gun stores to buy without raising much suspicion.

But the straw purchasers couldn't do business without their often-unwitting trading partners, American gun merchants. For better or worse, the constitution's Second Amendment protecting Americans' right to keep arms, as well as state and federal laws, allow licensed and unlicensed firearms merchants to profit from Mexico's drug war.

Protected class

The primary source of cartel weapons used to help kill more than 5,000 Mexican this year alone are American gun sellers, especially in Texas, which offers among the nation's most liberal sales environment and more gun retailers than any border state. With 4,800 federally licensed firearms dealers and untold numbers of private sellers at gun shows, Texas ranks first among 15 top states as the origin of traced weapons recovered in Mexico.

The rules of the game offer sellers far more protection than any other part of a supply chain that delivers firearms to cartel enforcers in Mexico, where guns are illegal.

For one thing, it's much harder to prove a criminal case against gun merchants for international smuggling.

Washington D.C.-based Special Agent Leo Lamas, who oversees ICE's new anti-smuggling program Armas Cruzadas, said catching a licensed dealer is tough because the dealer's awareness and intent must be proved.

"With awareness comes culpability, and that's not easy to establish," Lamas said.

Lamas also mentioned a deterring political dimension: push-back from powerful Second Amendment gun rights lobbies if dealers start to feel unfairly targeted.

"We don't want to go in there and start ruffling feathers and …infringe on someone's constitutional rights," Lamas said. "It's a very sensitive situation in terms of how the U.S. sees it."

Also providing plenty of wriggle room to licensed dealers, effectively keeping the trafficking tap open, is that they sell under relatively few legal requirements.

All that is required of a licensed dealer making a sale is to check whether a buyer is a U.S. citizen or legal resident, collect a signed form attesting that the gun is not for someone else and run an instant FBI background check. Beyond that, what a qualified buyer does with their purchase after leaving the store is not the seller's concern.

Unlicensed sellers who trade used firearms at gun shows are even less encumbered. No record or background checks is required by private individuals at gun shows who aren't in business — a "gun show loophole" that federal agents and prosecutors say has been a boon to cartel buyers.

That's one reason why buyers wielding thousands of dollars in cash were able to walk out with dozens of assault-style weapons. The merchant in most of these cases is off the hook because they met the letter of the law and, often truthfully, proclaim ignorance about the buyer's intent.

Gunrunning to Mexico; a four-part series

“I can’t stop someone from buying a gun, and then three weeks later selling it to someone else,” said Jim Cain, a former manager who works part-time at Fine Gun Shop at Bass Pro Shops at The Rim shopping center in North San Antonio. “That’s beyond our control. We can only control what’s within our facility.”

Powerful gun lobbies, like the National Rifle Association, want to keep things the same. They have fended off most efforts to increase regulations on sales and additional record keeping that might aid trafficking investigators, citing the Second Amendment of the U.S. Constitution.

Advocates for gun retailers strongly insist that’s because no further rules are needed.

Ted Novin, spokesman for the National Shooting Sports Foundation, which represents 4,500 retailers including 350 in Texas, cited as sufficient contribution to the trafficking problem an industry-sponsored “Don’t Lie for the Other Guy” public awareness campaign. As part of it, billboards were erected all over South Texas and in Arizona warning people not to be recruited as straw buyers.

“With firearms, you have to pass an FBI background check,” Novin said. “What other product do you have to pass an FBI background check for? This is one of the most regulated products in the country. I think every safeguard is currently in place.”

Ammunition magazines for sale in Laredo store

But the government of Felipe Calderón believes there is not enough regulation and plans to push Congress for more record-keeping for the sale of used guns, narrowing the gun show loophole.

"We are respectful of what the Second Amendment is about and what it means for the U.S.," said a high-ranking Calderón government official who did not want to be named for security reasons. "But we also do not believe the Second Amendment was ever intended to arm foreign criminal gangs."

Between profit and conscience

To be sure, many gun sellers say strong moral qualms about the crimes being committed by cartel gunmen have prompted more care. Many south Texas retailers interviewed by the Express-News insist they'll turn down money from suspicious buyers, though this also risks alienating legitimate customers and reducing perfectly legal revenue.

But no one expects a gun seller to consistently turn away business on just a hunch. So many call the ATF right after selling to someone they consider suspicious, and later produce sales records to responding agents.

"The vast majority of dealers are very cooperative with us," said ATF Special Agent Mark Seibert, who heads an anti-trafficking group in San Antonio. "They know the problem. But they're businesses, and there's nothing to say they're doing anything wrong."

Some Wal-Mart outlets along the Texas border have stopped selling assault-style rifles altogether. Explanations for this are conflicting. Several store managers cited orders from corporate headquarters in the last year or two.

A national spokesperson said the reason was low demand. Academy, which by contrast reports high demand for those firearms, has no apparent formal companywide sales policy at its border stores. The company refused to cooperate with this story.

Some of the licensed dealers are no doubt conflicted. But not all of them. Some have found it more profitable to do nothing more than required, or in rare cases, to go all in with the drug cartels.

Gunrunning to Mexico; a four-part series

Sliding over a thin line

Villarreal was a colorful personality well known around town as a jack-of-all-trades, including race car building and of course his lifelong hunting fever. He once had a local television show about hunting.

Villarreal started going wrong, according to his wife, the ATF and a local attorney, when a man with links to Mexican organized crime named Carlos Guajardo came into the store sometime in 2002. Guajardo, a twice-convicted drug felon who is now serving three years in federal prison on firearms charges, was polite, charming, tall and in need of AK-47s, Diana Villarreal recalled.

“That was the beginning of those AKs,” she said.

But Guajardo’s convictions disqualified him from doing the buying.

Soon, however, a variety of young, clean-cut men with no criminal history began parading into the store with cash and walking out with five, 10 or more AK-47s each, plus lots of 9mm semi-automatic handguns. All the sales were perfectly legal under the law – so long as the Villarreales didn’t know they were being purchased for someone else.

“Once you get that background check, they pay you and that’s it,” Villarreal said.

The sales to the young men went on for nearly two years.

Across the river in Nuevo Laredo, meanwhile, open warfare between the Gulf and Sinaloa cartels was producing a sorry bounty of hundreds of bodies. The crackle of automatic and semi-automatic fire had become a daily occurrence. Villarreal, who maintains that her husband ran the business, said she became conflicted, wondering with whether their guns were involved. But the money was so good she asked her husband no penetrating questions. They kept on selling to the young men.

“It really didn’t feel good at all,” she said.

In the end, increasing visits by ATF agents asking about why their guns kept showing up at murder scenes across the river made the decision easy. Under pressure in 2004, Villarreal decided to give up his federal firearms license and devote himself full time to his race car and hunting guide businesses.

He left the store's remaining firearms stock to Diana as a private collection. Under the law, that meant she could sell it off without requiring background checks. She suddenly found herself operating out of the so-called "gun show loophole," able to sell off personal firearms to anyone without a record-keeping requirement.

Today, all that remains of the collection are a few shotguns, .22 rifles and old pistols, none of which pique the interest of the cartels. Although not required to, Villarreal has kept detailed records for the ATF as she's sold off the old stock.

Villarreal showing the remains of her husband's collection
photo by Jerry Lara

But even her situation as a widow selling off her dead husband's guns to pay the bills, as carefully as possible under the ATF's eyes, underscores just how tenacious is Mexico's demand for guns and porous the border.

She said one of her husband's most prized possessions, a "beautiful, beautiful" AR-15 assault-style rifle replete with engravings, had to be sold. She said she thought she knew the man she sold it to pretty well.

Not long afterwards, the ATF came calling, just like old times. That AR-15 was recovered in Mexico from a gang of cartel thugs who'd been caught during a traffic stop.

Diana Villarreal shows the ledgers she still voluntarily keeps for visiting ATF agents

Part III: Buyers remorseless

How "straw purchasers" in the U.S. find a big bang for their buck for Mexico's drug thugs

Gunrunning to Mexico; a four-part series

Former DEA agent Celerino Castillo pled guilty to dealing guns without a federal license after ATF agents caught him hiring a "straw buyer" to purchase guns favored by cartels
Photo by Todd Bensman

Crucial to the flow of guns into Mexico are networks of straw buyers — U.S. citizens with clean criminal backgrounds bankrolled by the cartels to shop for guns. Two kinds stalk South Texas: ordinary people with perhaps only a sneaking suspicion about who's ultimately paying them; and those much more closely tied to cartels, perhaps even syndicate employees. Mexican officials say 60 percent of all guns purchased in the U.S. that make their way to criminals in Mexico were bought by straw purchasers. Straw purchasing, therefore, has become the new front - and maybe the only practical one - in an escalating bilateral push to shut down the pipelines.

Gunrunning to Mexico; a four-part series

.50 caliber sniper rifles seized by ATF en route from a South Texas gun store to Mexico. courtesy ATF

San Antonio, TX -- The young Mexican national looked over the table at a San Antonio taquería and nonchalantly described the firepower that passed through his hands as if he were describing the trowel he now uses to lay bricks.

Heckler & Koch MP5s. Colt AR-15s. M16s. Berettas. Barrett sniper rifles.

“To kill people, hurt people, we use them as a tool for kidnap and for escort drugs,” the former Mexican drug cartel foot soldier, who previously served in the Mexican army, said in broken English. “That was the use ... that we gave to the weapons.”

To arm themselves, Mexican cartels pick guns like they would choose toys from a catalog and tap the plentiful supply in the U.S.

Crucial to the flow of guns into Mexico, where they are largely illegal, are networks of straw buyers — U.S. citizens with clean criminal backgrounds who are bankrolled by the cartels to shop for guns. Some rings draw in ordinary people lured by easy money from near strangers. Others are more closely tied to cartels through “facilitators” who might oversee a network of buyers.

Gunrunning to Mexico; a four-part series

Texas, by far, leads the nation as the primary source of guns for the cartels.

The former cartel foot soldier, for example, told the Express-News he got what he needed in Texas. He simply stated to the head of his 40-member cartel security unit — a feared paramilitary group known as the Zetas — what guns he wanted. The orders were passed to fellow cartel workers in charge of finding straw buyers who would be paid in cash or drugs.

“The people who was working here in the U.S. selling the drugs, they were the same that got the weapons,” said the former Zeta enforcer who is cooperating with U.S. authorities and asked that his name not be revealed for security reasons. “They get some people to buy the weapons, every kind of them, and then pay them for it. ... Most times, we were better armed than the local police.”

Bang for the buck

Cartel-related killings in Mexico have doubled this year from 2007, reaching 5,376 as of Dec. 2, according to Mexican Attorney General Eduardo Medina Mora.

The U.S. is pursuing gun traffickers, and straw buyers in particular, like never before. More than 300 defendants were prosecuted in 2006 and 465 in 2007. Straw buyers include war veterans, college students, jail guards, grandparents and sons of lawyers; they get at least $100 a gun.

“Anyone who can legally buy a gun can get caught up in the scheme,” said Mark Siebert, resident agent in charge of the Bureau of Alcohol, Tobacco, Firearms and Explosives in San Antonio. “It’s college students, girls, guys, grandmothers. It’s anybody.”

In Houston, ATF agents uncovered one network of more than 30 straw buyers who spent more than $400,000 on guns, said J. Dewey Webb, agent in charge of the office there, which oversees San Antonio and much of south Texas.

“A lot of straw purchasers say, ‘Hey I’m not hurting anybody. I’m just making a few dollars,” Webb said. “But that AK killed someone in Mexico. It’s all connected and it’s all relevant.”

The U.S. and Mexico are, to some extent, cooperating more to track gunrunners, who often smuggle drugs as well. U.S. Immigration and Customs Enforcement launched Operation “Armas Cruzadas” this summer. In June, similar bills co-sponsored by U.S. Rep. Ciro Rodriguez of San Antonio, Sen. Kay Bailey Hutchinson and others to expand the ATF’s Project Gunrunner were rolled into the Mérida Initiative, which makes $1.5 billion available so Mexico can combat drug trafficking, Rodriguez said.

“Mexico is Texas’ best trading partner, but we can’t let the drug cartels dictate our lives and hurt our efforts to work with our friends on both sides of the border,” he said.

“Anyone who can legally buy a gun can get caught up in the scheme,” said Mark A. Siebert, resident agent in charge of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives in San Antonio. “It’s college students, girls, guys, grandmothers. It’s anybody.”

In most cases, the buyer is not as innocent as he or she seems, Siebert said.

“In my years with ATF, I’ve never met an individual, either the straw purchaser or the facilitator, the person that’s financing it, who didn’t know they were doing something wrong,” Siebert said. “They may not know the exact violation, the exact statute, but everybody knows that what they’re doing is not right.”

Mexican officials, relying on information from their U.S. counterparts, estimate that 60 percent of all guns obtained in the U.S. and used by criminals in Mexico were bought by straw purchasers.

Cartels also exploit what is known as the “gun show loophole.” At gun shows, people not operating a business can sell their private collection of firearms without having to obtain information from the buyer, running an instant background check or even giving a receipt. The same is true for other parts of the resale market, like flea markets, ATF agents said.

Cartel figures can buy these used guns themselves. But they often send a straw buyer to licensed sportings goods stores and gun shops because from them they can obtain new, more glamorous guns in quantity.

The gun trade is one of the top foreign-policy issues Mexico plans to pursue with the Obama administration.

“Our focus has been to explore with U.S. authorities what could be done by law enforcement with legislation with this obviously illegal export of weapons to these organizations,” said a high-ranking Mexican prosecution official who asked that his name not be used for security reasons.

“Secondly, the emphasis has almost exclusively been to enhance the tracing of the guns. We need to go much further. U.S. legislation lets you go to the original dealer and first buyer only. The fact that no record has to be kept of that second sale leaves the trail cold until the gun ends up recovered in Mexico.”

By then, it’s already been used for murder.

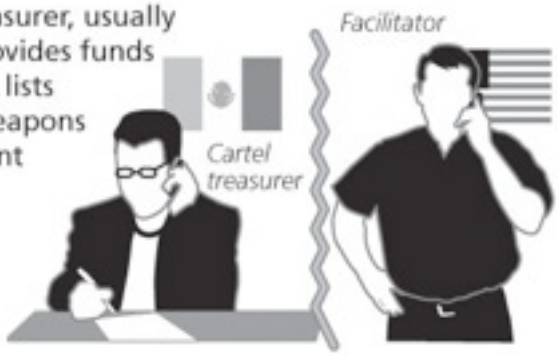
“In my years with ATF, I’ve never met an individual, either the straw purchaser or the facilitator, the person that’s financing it, who didn’t know they were doing something wrong,” said Siebert of the ATF.

Gunrunning to Mexico; a four-part series

HOW A PURCHASE WORKS

One way Mexican cartels procure U.S. firearms.

1 Cartel treasurer, usually in Mexico, provides funds and shopping lists for specific weapons to procurement person, or "facilitator."



2 Facilitator recruits U.S. citizens with clean criminal records known as "straw buyers."

3 Straw buyers are given cash and the specific gun orders to buy from American retailers or secondary sales markets, like gun shows.

4 The straw buyers then transfer the guns to the facilitator, who pays the straw buyers for each weapon.

5 Facilitator transfers the guns

Gunrunning to Mexico; a four-part series

The cop killers

Celerino "Cele" Castillo of Pharr, Tx. might fit that description.

The former drug agent, a published author renowned for his daring do in Central America during the 1980s and early 1990s, recently lamented the turn for the worse his life has taken as he sat in a McAllen book store. He is packing up his McAllen area home in preparation for a three-year stay in federal prison for selling guns without a license.

"I made a major mistake, and I have great remorse for this," Castillo said. "I did it to supplement my income, and here I am paying the price for it."

There is no proof the 35 guns he bought through a straw purchaser he recruited and apparently used for cover ended up in cartel hands. But prosecutors say that can be surmised because many of them — 23 were handguns that can fire armor-piercing ammo — are favorites of the drug gangs.

Castillo admitted buying the firearms through Jay Lemire, whom he met at a gun show in San Antonio. During the investigation, Lemire, 38, told ATF agents that Castillo was filling orders from "backers" and that Castillo would pay him $250 to buy the guns.

Confronted by investigators, Lemire agreed to continue buying guns so agents could observe Castillo as he secretly handed over cash to Lemire, sometimes outside of gun stores or in the bathroom. Lemire pleaded guilty to selling firearms without a license and got five years' probation. He declined to comment for this story.

But he told agents that Castillo made numerous comments about his backers having a hard time crossing the border to get all of the money for the guns to Castillo.

In interviews with the Express-News, Castillo disputed most of the accusations. Though he pleaded guilty, Castillo said he believes his gun prosecution is revenge by the U.S. government for uncovering a scandal in the 1980s.

“He had a reputation as an agent that really put himself out there,” said Michael Levine, who served in the DEA with Castillo and is the author of best-selling book, “Deep Cover.”

During an assignment in Central America in 1985, Castillo discovered cocaine was being smuggled to the U.S. from Ilopango Air Base in El Salvador by CIA operatives in a clandestine operation to help fund and arm the U.S.-backed Contras, which opposed the Sandinistas in Nicaragua, Castillo wrote in his 1994 book, “Powderburns.”

His assertions formed a piece in the puzzle of the Reagan administration’s Iran-Contra scandal. He took medical retirement in 1991 after being diagnosed with post-traumatic stress disorder.

The DEA said it doesn’t comment on former employees. Prosecutors and the ATF said they had not heard of Castillo before his arrest in March.

Castillo said he primarily bought guns for hunting that are hard to get in the Rio Grande Valley. But he admitted taking gun orders from buyers he would not identify, a circumstance that border agents describe as a tell tale sign of cartel ordering from Mexico of just the sort described by “Marcos.”

Assistant U.S. Attorney Mark Roomberg said that of the 32 guns Castillo acquired, 23 were FN 5.7 pistols, known in Mexico as mata policias, or “cop killers.”

This has become the gun of choice of drug gangs in Mexico,” Roomberg told U.S. District Judge W. Royal Furgeson.

He could have bought guns himself because he is a U.S. citizen and had no criminal record, but he claims he paid Lemire to buy them because he wanted to help Lemire supplement his Social Security income.

“I told him, ‘Let’s buy some guns and resell them,’ ” Castillo told the judge. “I know it sounds like I’m making this up, but I’m not.”

That, however, doesn’t bear the ring of truth, ATF case supervisor Siebert said.

As a former law enforcement agent himself, Castillo had to have known the purchase of so many FN 5.7 handguns can electronically flag the ATF, who will track down the buyer and start asking questions. The fact that Castillo hired a straw buyer to purchase only cartel glamor guns suggests that he knew exactly what he was doing, except he didn’t get away with it.

Straw purchasing 101

As Castillo readies for prison, a generation less than half his age is learning the ropes.

Alejandro Palacios, 22, grew up in Brownsville, and moved to San Antonio shortly after his high-school graduation to further his studies. Here, he roomed with buddies from the Valley who studied at local colleges that include the University of Texas-San Antonio and San Antonio College.

A junior engineering major, Palacios is getting an education he won’t find in a textbook. He’s facing up to five years in prison for allegedly buying guns in a straw-purchasing scheme the ATF broke up earlier this year.

Palacios bought four firearms for Ricardo Garza and his older brother, Arnoldo, according to court records. The Garzas, who were contract security guards at the ICE-run Port Isabel Detention Center at the time, paid Palacios $150 for each gun.

“I couldn’t believe how easy it was,” Palacios told ATF agents of his first purchase, an AK-47 at a gun show in Live Oak.

He later went to gun stores. On the federal forms recording his purchases, Palacios falsely claimed the guns were for himself, which is how he ran into legal trouble.

He recruited Esli Garza, an ex-girlfriend, and one of his roommates, Hugo Garcia. The lure of $150 for each gun they bought was a powerful motivator.

" 'Yeah, I need the money,' " ATF agent Dan McPartlin quoted Esli Garza as telling Palacios. " 'I'd like to do that.' "

The group bought several FN pistols and semi-automatic assault rifles. One was found in Mexico.

On March 16, members of a cartel were involved in a shootout with Mexican soldiers in coastal Ciudad Madero, Tamaulipas.

The assailants slammed into an army truck, threw grenades and opened fire on the soldiers, who returned fire. The soldiers recovered several firearms, including a Bushmaster .223-caliber assault rifle. The ATF traced the gun to an Academy Sports and Outdoors store on Loop 410 near Vance Jackson in San Antonio.

Esli Garza bought the gun on July 10, 2007, for Ricardo Garza, court records show.

"I'm sure that the gun traffickers are smart individuals," said Palacios' lawyer, Eddie Bravenec. "The reason they choose people this age is that nobody will suspect them, and because these people are so young, (the traffickers') chances of getting turned in is less."

Cloaked in layers

As they do with running drugs, the cartels try to stay ahead of authorities. Pinpointing the facilitators is never easy if police can't identify the straw buyers. That's why authorities largely rely on gun retailers to be vigilant.

"It's not like there's a direct hand-to-hand (exchange) from somebody who comes into the U.S. and purchases the weapon to somebody high up in the organization," said Jerry Robinette, special agent in charge of ICE in San Antonio. "There's many, many layers and many, many people between point A and point Z."

Gunrunning to Mexico; a four-part series

Ernesto Garza, 44, of Monterrey, Mexico, had nine people working for him in San Antonio and paid $100 to $600 per gun on top of the original purchase price.

He bought hunting guns here and sold them in Mexico, but later filled orders for high-power, high-capacity weapons that earned him a 100-percent profit in many cases. On the eve of trial this year, he pleaded guilty to buying more than 50 guns through straw purchasers and to smuggling the weapons across the border. He was sentenced Wednesday to 12 years in prison.

One of his straw buyers recruited six female friends. Sometimes, Garza paid the women directly, would tell them which guns to buy and occasionally accompany them to almost a dozen stores.

Two San Antonio gun shops — Dury's Gun Store and Bass Pro Shops — turned ATF agents on to Garza's straw purchasers after noticing they were buying FN pistols with cash on the same day or within days of each other.

In one instance, Garza used the same car that had transported 18 kilograms of cocaine to San Antonio to send back a shipment of guns to Mexico, typical of the method.

"We think the person sending the drugs and receiving the guns are the same," prosecutor Roomberg said.

One of the FN guns was recovered in May at the scene of a gun battle that drug traffickers had with Mexican federal police in Xoxocotla, south of Mexico City. Two officers were killed. The gun was bought at Dury's in August 2007.

Garza's lawyer, Demetrio Duarte Jr., distanced Garza from the cartels.

"My client is not a member of any organized crime (ring)," Duarte said. "How those guns ended up in the hands of drug dealers, I don't know."

But according to the ex-Zeta enforcer who is now an informant, the cartels are usually behind the straw purchases and have little problem getting their hands on the weapons through layers of associates driven by greed. Their purpose is no secret: To kidnap, kill, "all kinds of stuff like that."

"They never had any problems to cross them (the weapons) into Mexico," the informant said of the cartel he worked for. "We knew about weapons, we just order. ...We ask for the best weapons we could use for that work."

Staff writer Guillermo Contreras contributed to this report

Part IV: Bingeing on bullets

So loosely regulated and available is American ammunition that Mexican smugglers are simply dropping over on day shopping visas to cruise a bounty of stores within the 25-mile deep commercial zone where they can legally wander. Judging by prosecutions and seizures, the day-trippers are doing their part to bring home huge quantities of bullets. The one law that applies to ammunition purchases doesn't hinder much. It requires that buyers be U.S. citizens. But retailers aren't required to check. So it's don't ask, don't tell.

.50 caliber ammunition in Ciudad Juarez loaded for fully automatic machine gun, .50 caliber rounds like these are in suhc demand at Texas gun shops they are often sold out.

Gunrunning to Mexico; a four-part series

A typical seizure of ammunition in Mexico. photo courtesy of Mexico's office of the Attorney General

MCALLEN, TX. — So popular is the 7.62 caliber ammunition for AK-47 semi-automatic assault rifles that one Academy Sports and Outdoors in this border city stacks shoebox-sized cases several feet high down half a row in the hunting section.

Employees like Francisco Rodriguez, who works in the guns and ammo section, are not short of stories about men piling shopping carts high with the $74 cases of 7.62 caliber rounds, as well as clearing shelves of .9 mm rounds and other ammunition that fits semi-automatic assault-style rifles. Several employees of a number of other South Texas stores say customers routinely pay thousands in cash and simply wheel the stuff out, no questions asked.

"I had a guy come in the other day and clear me out of .223s," Rodriguez said of ammunition that fits assault-type rifles as well as classic hunting rifle styles. But unlike a typical hunter, this customer "paid $5,000 cash, and then he went to one of our other stores and cleaned that out, too. I didn't ask what he was going to do with it. He probably was going to take it to Mexico."

Gunrunning to Mexico; a four-part series

The market for certain kinds of ammo is so robust these days that Texas-based Academy created its own box brand, Monarch, filled with Russia-made AK-47 bullets. Some smaller independent stores report being unable to keep up with demand for .50 caliber sniper rifle rounds, which can sell for $4 each. The bullet business is booming all along the border.

There is nothing illegal about buying or selling large amounts of civilian-use ammunition to just about any adult in the U.S. Bullets are a commodity almost as unregulated as milk or bread, with no record keeping requirement, limit on volume per individual, or disqualifying criminal history for buyers, unlike some rules governing the sale of guns. Also unlike guns, bullets don't have serial numbers that can later be traced to a store or person.

All of this is a big problem, according to Mexican government officials. Mountains of ammunition types so popular at Academy stores in Texas border cities keep turning up across the Rio Grande in drug cartel weapons depots also full of American-sold assault-style rifles. The millions of rounds found in these depots have been smuggled to Mexico, where they are illegal, and authorities on both sides squarely peg U.S. retailers as the source.

So loosely regulated and available is American ammunition that Mexican smugglers are simply dropping over on three-day shopping visas to cruise a bounty of stores within the 25-mile deep commercial zone the visas allow them to wander. Judging by prosecutions and seizures, the day-trippers are doing their part to bring home huge quantities of bullets.

The one law that applies to ammunition purchases doesn't hinder much. It requires that buyers be U.S. citizens. But retailers aren't required to check. So it's don't ask, don't tell.

Gunrunning to Mexico; a four-part series

American law enforcement authorities, under pressure from Mexico, are already escalating a push to slow the guns bought from U.S. merchants and used by drug gang paramilitaries to help kill more than 5,000 Mexican citizens, police and government officials. But in the last year or two the Americans and Mexicans also have begun focusing on their less prioritized central ingredient: bullets.

Gunrunning to Mexico; a four-part series

“The main thing is for us to stop the illegal flow of guns going to Mexico, but if they don’t have bullets they can’t use them,” said J. Dewey Webb, the Houston-based head of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives. “It’s just as important and it’s just as illegal. If we could reduce the traffickers to throwing rocks at each other, I think we’ve achieved our goal.”

Authorities believe one of the nation’s busiest ammunition smuggling corridors runs through South Texas because of a proliferation of stores in the densely populated regions close to the Mexican border. That pipeline, they say, runs along state highways 77 and 281 through McAllen, Harlingen and Brownsville. The connecting Mexican state of Tamaulipas is listed as one of the top five Mexican states for illegal ammunition seizures, according to the attorney general’s office.

Gunrunning to Mexico; a four-part series

Those who speak for large retailers, as well as small private ones throughout South Texas, don't like to contemplate the prospect of profiting from Mexico's tragedy. Instead, many of those interviewed by the Express-News

posit that mainly target-shooting hobbyists are the ones buying out stocks of 5.7 “cop killer” rifle bullets that, fired from certain concealable handguns, can puncture police armor, or .50 caliber rounds that slice through buildings.

Academy, which shows up in smuggling prosecutions as a source of weapons, refused to cooperate with this story. Pressed, a spokesman would not address whether any policy calls for voluntary record keeping or self-regulation for ammo sales, as some stores do with guns. Academy’s refusal to discuss the issue came the same day last month as a huge weapons seizure just a few miles away over the river in Reynosa.

The Mexican army uncovered a cartel weapons stash so large it held 500,000 bullets for any of the 540 firearms also found. Mexico’s attorney general’s office says three million rounds have been seized nationally in just the last 24 months.

Because of the absence of mandatory or voluntary controls on ammo sales, agents hunting the trail of smuggling-minded shoppers will remain hard pressed to cut this gusher of a supply line.

Don’t ask, don’t tell

Kirkpatrick Guns and Ammo resides in a shopping district on the north side of Laredo. On Nov. 1, 2006, two Mexican men in town on three-day shopping visas were sitting on the store floor sorting their purchase of 12,570 live rounds of assorted ammunition when their luck ran out. In through the door walked off-duty ATF Special Agent Frank Arrendondo to do some personal shopping.

After ascertaining that the men weren’t U.S. citizens and had just bought the ammunition, the agent arrested Carlos Alberto Osorio Castrejon and Ramon Uresti Careaga on the spot. The two men later confessed that they’d made other day trips for American ammunition to take with them back to Mexico, like two purchases the previous month at another local store where they paid $6,193 in cash.

They said they’d had those loads driven back across the international bridge hidden aboard a tractor-trailer rig. At the time, Nuevo Laredo gun battles between rival drug cartels were leaving bodies strewn through the streets.

Last year, both Mexicans pleaded guilty and got 15 months in prison each. Kirkpatrick was never on the hook.

The bust illustrates how easily ammunition trafficking is accomplished and why American retailers can go on profiting by it with little legal risk while bullets fly almost daily a few miles away in Mexico.

Longtime Kirkpatrick manager Maria Elena Gonzalez, when asked about bullet buyers who pay cash, said she almost always makes sure her monolingual Spanish-speaking customers present some proof of citizenship to comply with the one law.

"I always ask, 'Are you from here?'." she said. "If they say, 'Mexico,' it's 'Oh, I'm sorry.'."

But when reminded of the Osorio and Uresti ammo smuggling case in her store, Gonzalez said she wasn't there that day, her boss was. Storeowner Bill Kirkpatrick said he doesn't ask and nothing in the law says he has to.

"On ammo, we don't ask, because a lot of people can get offended," Kirkpatrick said. "It's politically incorrect, like you're calling them a spic."

With thousands of dollars in cash on the counter, it's easy to see why retailers might not feel curious. But federal prosecutors warn that "prudent" ammunition sellers would be wise to start becoming curious.

"Ultimately," said San Antonio-based Assistant U.S. Attorney Richard Durbin. "the seller's state of mind would be a question of fact for a jury to resolve."

Still, Kirkpatrick said the bust in his store and violence in Mexico has him voluntarily limiting volume bullet sales to people he knows. These are usually wealthy local firearms enthusiasts who like target practicing with assault-style guns. One hobbyist, he said, recently cleared out his .50 caliber bullets for some fun at the range with an $8,000 sniper rifle he'd bought from Kirkpatrick.

He said one of many legitimate explanations for why local gun hobbyists buy large amounts of ammunition is to hedge against rising prices. After all,

target practice with those kind of guns can eat up a lot of expensive rounds. Kirkpatrick said he's sure his socially conscious restraint ensures none of his bullets feed Mexico's drug wars – pretty sure, anyway.

"The gun stores," he assured. "just have to police themselves."

A higher social good

That retailers like Kirkpatrick would voluntarily turn down legal profits for a higher social good is not without precedent. In the early 2000s, national retailers like Walgreens and Target began setting voluntary limits on the sale of common cold medicines used to make illegal methamphetamine to dampen the contagion. Texas and other states eventually passed laws restricting volume sales. In October, President Bush signed the Methamphetamine Production Prevention Act, requiring retailers to log sales of cold medicines as a means to help law enforcement and deter meth producers.

"I do see a parallel," said East Texas-based Assistant U.S. Attorney Kevin McClendon, who in 2004 filed a civil lawsuit against Walgreens seeking to force compliance with sales reporting rules. "If the abuse of the sales offends the public enough, I could see restrictions going that way with ammunition sales too."

But for gun store retailers along the Texas border who may feel socially conscious, the incentive to keep selling is seductive.

Back at Academy stores in McAllen, employees said they routinely sell large quantities of ammunition to cash-paying customers even when they suspect it's to be smuggled. They said they're unaware of any policy about self-restricting sales.

Gunrunning to Mexico; a four-part series

"A young woman came in the other day and bought 75 boxes" of 7.62 caliber Monarch brand bullets" for AK-47s, one employee said. "She said it was for her father's birthday. Um…okaaaay."

Austin Ortiz, manager of the firearms section in a newly opened Academy in McAllen, said the 7.62 and .223 calibers are among his best sellers. There were no company instructions to call the ATF or check for citizenship on suspicious buyers, he said.

"There are a lot of gun ranges around here," Ortiz said. Asked if he thought smugglers also were buying, he didn't hesitate.

"I'm pretty sure there are people out there who will take it over and sell it at a profit."

A most elusive contraband

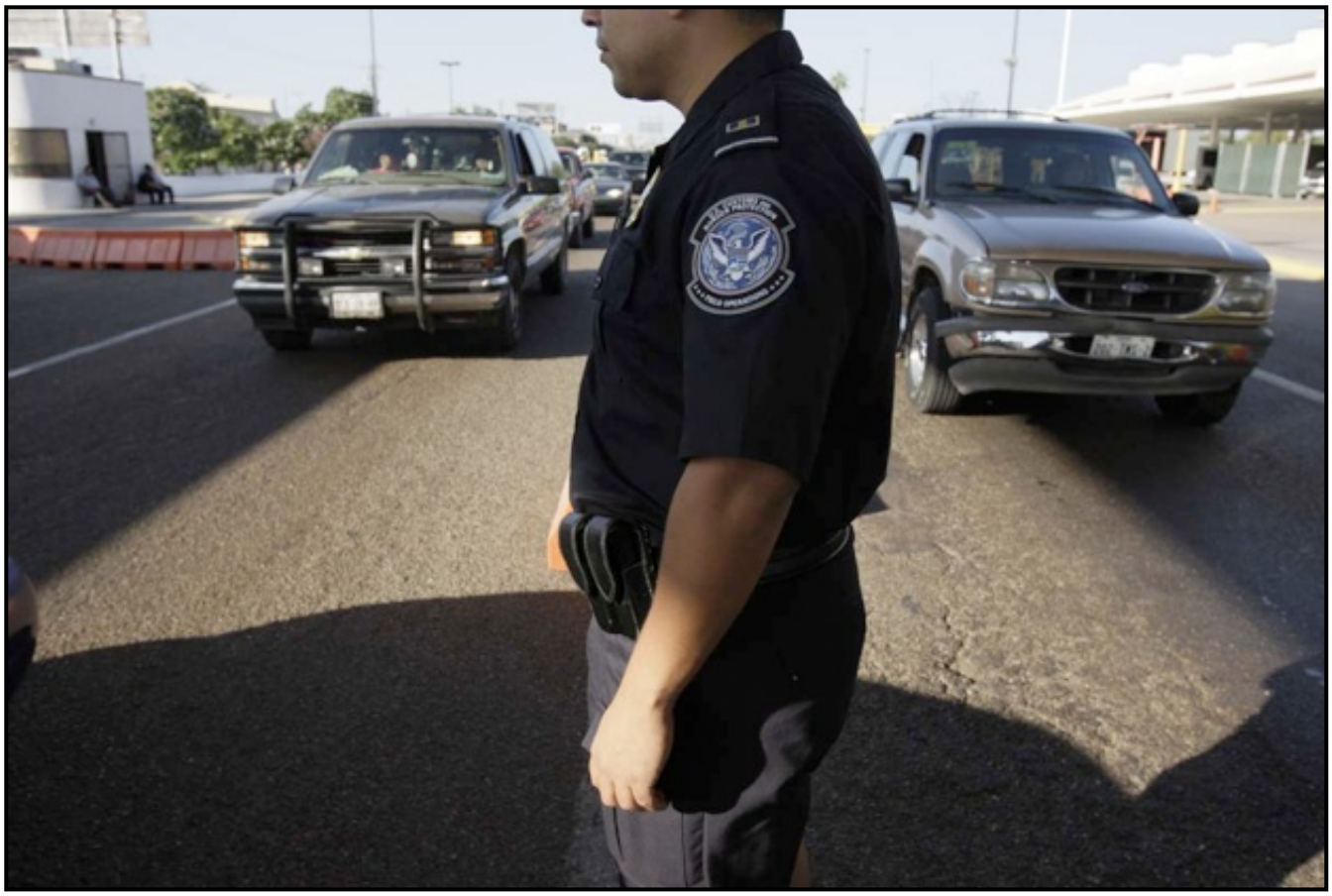
On the Laredo side of the international bridge one recent day, a special mobile team of U.S. Customs and Border Protection agents had set up shop. American customs officers mostly work the northbound vehicular traffic coming out of Mexico. But this team goes against the grain.

Its members randomly pulled over a small percentage of cars, trucks and busloads full of people headed south into Mexico. On Dec. 11, officers found one of the items they look for a lot more these days, given Mexico's grim situation: contraband ammunition. Some 300 rounds, plus pistorl and assault rifle magazines, were found secreted in the compartment of a 2000 Ford Expedition driven by Raul Alvarez, Jr., the manager of a bordello in Nuevo Laredo.

Just weeks earlier, the Express-News had featured Alvarez in a story for this series as having bought and sold guns that wound up at the scene of a brutal ambush murder of four police officers in Aguascalientes, Mexico. He'd offered up an improbable story absolving himself of ever trafficking in munitions.

But the secret compartment of Alvarez's vehicle filled with bullets and clips suggested to them he is indeed a smuggler. He is facing up to ten years in prison if convicted.

Gunrunning to Mexico; a four-part series



A member of a mobile U.S. Customs and Border Protection team trolls Mexico-bound traffic for contraband such as guns and ammunition at the Laredo International Bridge. Photo by Staff Photographer Jerry Lara.

The CBP southbound inspection teams offer one of the U.S.'s only weapons against ammunition smugglers. And it's a continuous game of cat and mouse where the mouse mostly wins.

Whereas guns recovered in Mexico can at least be traced to a store and original buyer, bullets leave no trail. Smugglers eliminate any last clue by removing the rounds from coded store boxes. Bullets are considered too heavy to swim or hike into Mexico in profitable enough quantities. So shells usually go into secret vehicle compartments and driven in the direction everyone knows gets less attention - south.

Three teams on any given day show up at any of the Laredo area's six different border crossings, to keep the drug cartel spotters off guard. They

use hand-held X-ray gear that can see through car panels and fiber optic scopes that can look down gas tanks. Recently, a new tool was added: a dog named Lucy trained to sniff out ammunition.

But with dozens of international gateways, the Texas teams are mathematically and geographically disadvantaged. On this day, neither Lucy nor her CBP partners found any southbound ammunition at the main Laredo passenger bridge to Nuevo Laredo.

But on the other side of the same crossing, a grim-faced Mexican army officer who wouldn't be identified said his machine-gun toting squad found a massive stash of guns and ammunition in a pickup that had gotten through the American dragnet.

The lucky discovery exemplified the hit-and-miss nature of new efforts on both sides to troll for ammunition. The CBP team strongly suspects the 155 ammunition seizures made in 2008 in the busy Brownsville to Del Rio sector made hardly a dent.

"The reality is that the smuggler has the advantage over us," conceded CBP Assistant Port Director Jose R. Uribe. "It's just the nature of the border."

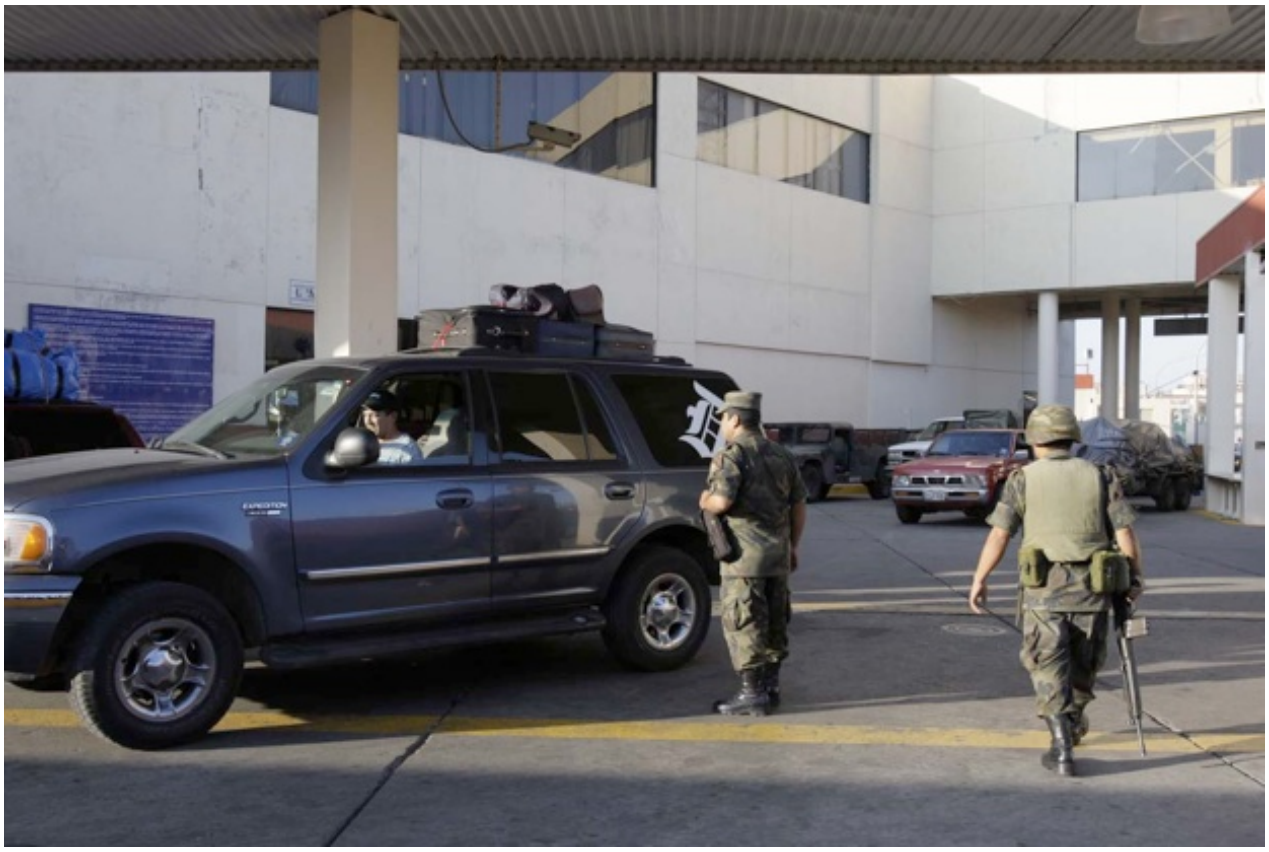
Dumb luck is the regular, if unreliable partner in these efforts. An American agent has to somehow catch physical sight of a smuggler or catch them in the act, like at Kirkpatrick Guns.

For instance, in November 2006 El Paso police officers just happened to spot two Mexican men driving into an alley behind Alamo Shooters Supply. They followed and watched the men cart out dollies laden with tens of thousands of rounds. Javier Paredes Vega and his brother Jorge Paredes Vega admitted they were regular ammo smugglers who made profitable use of their day visa privileges. Last year, both pleaded guilty to weapons violations.

In a different El Paso case this year, a lucky tip from a sympathetic gun store owner led agents to roll up a well-oiled ring of bullet smugglers who'd been responsible for sending up to 80,000 rounds back to Mexico.

Gunrunning to Mexico; a four-part series

The deployment of Mexican army units at major border crossings is new. Their role is singular: to increase the odds of searching incoming vehicles only for American guns, ammunition and explosives.



Mexican troops were stationed at the Nuevo Laredo international bridge in early 2008 with orders to search for guns, ammunition and explosives. Photo by Express-News Staff Photographer Jerry Lara

But observation of several of those military units showed their checks usually amount to hand knocking along the sides of vehicles to check for the sound of hidden compartments. They have none of the equipment their CBP counterparts use, let alone ammo-sniffing canines. Both sides, though, have no choice but to let some less trammeled crossings go untended.

The Los Ebanos International Ferry about 30 miles west of McAllen is one of the last hand-pulled boat rides the 75 yards across the muddy Rio Grande. Old-style, Mexican deckhands strain on pulley ropes to slowly move three or

four vehicles at a time over the river. On a recent business day at the ferry crossing, only a couple of white-uniformed civilian customs officials were stationed on the Mexican side.

Sometimes they glanced into back seats or opened a trunk for a hands-off look inside. On the American side, no one was checking southbound vehicles that day. But smugglers of all kinds know this place well.

One of the rope pullers, Alejos Flores, 66, said the narcos offer him thousands to rent his small blue rowboat on a riverbank.

“They’re not crossing watermelons,” Flores said, explaining why he’ll keep rope pulling for a living. “I learned a long time ago that if I don’t put my hand in the fire I won’t get burned.”