



Written by [Alex Newman](#) on December 9, 2011

Congress Probes DEA Drug Money Laundering Scheme

According to an article in the *New York Times* that first revealed the DEA money-laundering scheme to the public, U.S. drug agents supervised by the Justice Department likely laundered hundreds of millions in illegal profits — maybe more. The DEA and other agencies also helped send the illicit cash back across the border to Mexico in operations “orchestrated to get around sovereignty restrictions,” the *Times* reported in the article, headlined “[U.S. Agents Launder Mexican Profits of Drug Cartels](#).”



“The high-risk activities raise delicate questions about the agency’s effectiveness in bringing down drug kingpins, underscore diplomatic concerns about Mexican sovereignty, and blur the line between surveillance and facilitating crime,” the article stated, noting that the agency often allows cartels to continue operating for years before taking any action.

And the program does not appear to be disrupting the criminal organizations. One former DEA official was quoted by the paper as saying that if the program failed to show results, “the D.E.A. could wind up being the largest money launderer in the business, and that money results in violence and deaths.” And the program *has* failed to show results, according to analysts.

Activists and members of Congress were already deeply suspicious of Attorney General Eric Holder and the Obama administration’s Department of Justice over a program that put thousands of weapons into the hands of cartels — some of the guns were eventually linked to murders of U.S. law enforcement officers — as well as [subsequent efforts to cover up the scandal](#) using [lies](#). So when news of federal money laundering broke, lawmakers immediately demanded answers.

“It also appears as though these American agents, posing as smugglers, assisted Mexican drug cartels in their illicit and deadly drug trade,” Rep. Darrell Issa (R-Calif.), chairman of the House Oversight and Government Reform Committee investigating *Fast and Furious*, [wrote in a letter to Holder](#) citing the *Times* article. “These allegations, if true, raise further unsettling questions about a Department of Justice component engaging in a high-risk strategy with scant evidence of success.”

Issa repeated the concern expressed in the *Times* article that the DEA operations point to serious issues in the agency’s effectiveness in actually catching drug bosses. There are other problems, too, including worries about sovereignty and the blurring of the line between “surveillance” and actually helping criminals.

“The law limits the conduct alleged in this story,” Rep. Issa noted. “The existence of such a program



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again calls your leadership into question.... The consequences have been disastrous. It is almost unfathomable to contemplate the degree to which the United States Government has made itself an accomplice to the Mexican drug trade."

The Justice Department [responded](#) with a letter saying similar tactics have been used since the 1980s, but that it could not discuss specifics. Like the Bureau of Alcohol, Tobacco, Firearms, and Explosives (still known as ATF), the DEA also promptly responded to the accusations by claiming the operations were aimed at fighting crime, not assisting it. And anonymous "sources" were deployed by the federal drug agency to defend the scheme, [saying](#) a comparison with Fast and Furious was off the mark.

In a statement, the agency also defended its operations, saying the money laundering was aimed at tracking drug profits rather than aiding criminals. "The DEA has well-established mechanisms for coordinating and approving activities associated with the fight against money laundering," it claimed. "As a result of this cooperation, DEA has seized illicit transnational criminal organization money all around the world through our partnership with law enforcement."

The federal agency also said it had been working closely with Mexico's notoriously corrupt government for years. "As part of that collaboration, DEA works with Mexican authorities to gather and use information about these criminal organizations to counter the threats they pose to both of our countries," it alleged in the statement, claiming the cooperation was based on "mutual trust" and respect for each government's jurisdiction.

But lawmakers were not thoroughly convinced by administration denials, noting that Holder, Obama, and the Justice Department have admittedly been lying about the Fast and Furious scandal for almost a year. "The first answer you get from this Justice Department doesn't have a high credibility," Rep. Issa said this week.

Conservative activists seized on the story to renew calls for Holder to resign or be fired immediately. "More importantly than lying to Congress —and now laundering drug monies — he is guilty of being an 'Accessory to Murder,'" Conservative Action Alerts said in an e-mail to supporters urging them to demand congressional action.

Over 50 representatives in the House have already signed a letter calling on Holder to step down, and the list is growing fast. Several Senators and GOP presidential hopefuls have also joined the chorus. Holder, meanwhile, lashed out at conservative media outlets for his woes.

But critics are still hammering away at the nation's top law enforcement officer. "Note to Holder: No one believes you were after cartel members. Everyone believes you were trying to cause enough crime on the border to justify the passage of more gun control," [noted](#) conservative commentator A.W.R. Hawkins, who called on Rep. Issa to prosecute Holder to the full extent of the law as the latest scandal made headlines.

American Thinker writer Hugh de Payns called for changes at the very top of government. "First it was guns, and now it is their money," he [wrote](#). "A person could be excused for thinking that these recent revelations smell of a conspiracy to raise violence and trouble along the southern border for crass political purposes."

New [official documents have emerged showing](#) the various Project Gunrunner firearm-trafficking schemes were indeed being used to promote more unconstitutional restrictions on the gun rights of Americans. And Mexican drug bosses have recently [implicated](#) the U.S. government in all of their operations — from trafficking to obtaining weapons.



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“In addition, the defense has evidence that from time to time, the leadership of the Sinaloa Cartel was informed by agents of the DEA through [Mexican attorney and Sinaloa-Cartel figure Humberto] Loya that United States government agents and/or Mexican authorities were conducting investigations near the home territories of cartel leaders so that the cartel leaders could take appropriate actions to evade investigators,” [stated](#) a court document filed recently by high-ranking Mexican drug trafficker Jesus Vicente Zambada-Niebla.

“El Vincentillo,” as the Sinaloa operative is known, also [said](#) the U.S. government allowed his organization to import multi-ton quantities of drugs while providing U.S. weaponry to the cartel. More than a few other top drug bosses have made similar assertions just this year.

According to reports and government insiders, the Central Intelligence Agency has been [deeply involved](#) in the various aspects of the operations as well. The agency has a long history of shadowy drug-dealing scandals. And even former DEA chief Robert Bonner has appeared on television [accusing the CIA](#) of importing cocaine.

It remains unclear exactly what the purpose and extent of the agency’s involvement might be in the emerging scandals. But a report in the *Washington Times*, citing a CIA insider, [said](#) it had to do with affecting Mexican politics and the cartel balance of power.

Violence related to the drug war has left more than 40,000 Mexicans dead in recent years. Yet despite billions spent on the [expanding unconstitutional "war"](#) so far, the murders and the flow of drugs through the nation continues to grow.

Photo of money seized during DEA raids: AP Images

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