C O N F I D E N T I A L MONTERREY 000043

1. (C) Summary: Organized gang violence has spread into Nuevo Leon from neighboring border areas, with drug gangs attacking several eastern municipalities in the state. At least three gang members died during a battle with army soldiers in one city and, in another, gangsters attacked a local police station, killing two officers. State and military forces have assumed control of security in several towns near the border with Tamaulipas. Gang banners have appeared in Monterrey, including one near the Governor's offices, and the city has undergone a record wave of SUV thefts, presumably to supply cartel forces fighting along the border. If the fighting continues, Zeta-dominated Monterrey could see a sharp uptick in cartel related violence. Post is concerned that muted coverage by a leading local newspaper is an indication that the organization has caved in to gang influence. Local military sources state that the continued tensions between the Gulf Cartel and the Zetas, will make the situation unstable - and subject to sudden eruptions of violence - for the foreseeable future. End summary.

2. (SBU) In a spillover from battles between the Gulf Cartel, the Zeta Drug Trafficking Organization (DTO) and, at times, the
military, occurring along the border, (refs A, B, C, and D), drug
gangs have gone on the offensive in some parts of Nuevo Leon. On
February 23, according to media reports, armed groups besieged the
Nuevo Leon municipalities of Bravo, Cerralvo and China, ordering
residents to take cover and shutting down local businesses.
Gangsters kidnapped at least 12 people in the towns, including two
children from the family of a local business owner.

3. (SBU) On the afternoon of February 24, three drug cartel
members died during a 30 minute firefight with soldiers outside of
a restaurant in the Nuevo Leon town of Las Ramones. Troops
captured two other cartel members. Around 7:00 p.m. that day,
assailants killed at least two China police officers and injured
one during an attack on police headquarters, next door to the
town's city hall. Media reported that the city's police force
deserted and the local state attorney general's representative
remained in his residence due to fears for his safety. A call by
police officials for military or state reinforcements went unheeded
for almost five hours. Post has also heard reports of further
violence between the Gulf Cartel, Zetas and the military west of
Monterrey in Saltillo, Coahuila and to the southeast in
Montemorelos, Nuevo Leon.

4. (SBU) In the aftermath, businesses shut down and residents
remained hidden in their homes. Nuevo Leon Attorney General
Alejandro Garza y Garza announced that state and military forces
would take control of security in China and other towns near the
border with Tamaulipas, including General Bravo and Cerralvo, both
of which have essentially shut down in the face of the ongoing
narco-threat. A Laredo, Texas business delegation cancelled a
planned trip to Monterrey, citing concerns over security. (This is
only the latest U.S. group to defer travel plans to the state due
to security concerns. On February 17, a group of 100 U.S. students
called off a trip to participate in the International Model United
Nations Conference at the American School Foundation in Monterrey
(AFSM) for the same reasons.)

Zetas in Monterrey

5. (SBU) February 23, police discovered five "narcobanners" in
Monterrey and its surrounding cities, including one hung on a
statue 100 meters from the state government seat. The banners,
claiming the Zetas were as widespread as McDonalds or cell phone
signals, bore the Zeta emblem and taunted unnamed Zeta rivals. It
was the second display of such banners found in the Monterrey area
this month.

6. (SBU) On the next day, police arrested four Zetas shopping for
clothes in the affluent Monterrey suburb of San Pedro, who were
apparently fleeing the ongoing violence in Reynosa. Three
reportedly had outstanding warrants in the U.S. Two other
individuals accompanying the Zetas successfully evaded police.

7. (SBU) By mid-day on February 24, Monterrey had experienced a
record 18 carjackings and robberies in a period of only around 12
hours. Among the high profile attacks, criminals stole a car with
a child in the backseat, and lifted the Chevrolet Suburban of the
local soccer team’s star goalkeeper. The vast majority of those
vehicles targeted for theft were SUVs, with 10 Chevrolet Tahoes
topping the list.

Comment

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8. (C) Cosmopolitan Monterrey, situated astride a key northern
transit route, is of significant strategic value to organized crime
and the violence hitting rural Nuevo Leon may soon affect the metropolitan area, long considered Zeta territory, as the Gulf Cartel and its allies seek to inflict damage on the Zetas. The city is a safe-haven, source of revenue (mainly from extortion), and supply center for the Zetas. Post suspects the recent wave of car thefts in the city is in response to demands by Zeta leaders for vehicles to support their battles along the northern border.

59. (C) Zeta influence here is longstanding and widespread throughout local and state government. Gang members hung the recently discovered narcobanners in at least one area, near the Palacio del Gobierno, under state police observation. RSO sources indicated that state police officers' calls for backup went unheeded. Post has long connected former Nuevo Leon Director General of State Investigation Hector Santos (now serving in the same post in Coahuila) with the Zetas, and many other local and state police and government officials have ties to organized crime. It is telling that, in an advance copy Post obtained of a February 27 El Milenio editorial, the newspaper lamented that corruption and indifference have hobbled state and municipal security forces and termed Nuevo Leon’s Secretary of Security, Carlos Jauregui, as "pathetic and ineffective." The editorial said state security forces could not control the current situation and would therefore be unable to contain rising levels of violence, even with military assistance. The head of one prominent local industrial association told Consul General on February 26 that the business community would not stand for any further deterioration in the security environment.

10. (C) Until February 26, the El Norte newspaper, long considered an outspoken voice against organized crime, had been surprisingly muted in its coverage of the recent border violence, characterizing residents fears as "psychosis" resulting from living under constant narco-threats. In contrast to its past policies, the newspaper gave the narcobanners full play, complete with a large, and legible, photo of the banners' defiant, pro-Zeta message. The newspaper's owners relocated to Texas in 2008 due to ongoing threats from organized crime, and Post worries that pressure on the newspaper has only increased given the recent instability at the border. Competing El Milenio has provided far more thorough coverage, but even it has taken a measured approach. The newspaper has avoided depicting terming the conflict as between cartels, instead casting the military in the main adversarial role.

11. (C) Monterrey is the home to the Fourth military region, which oversees army operations in Nuevo Leon, San Luis Potosi, and Tamaulipas, and local military sources tell us that they think the violence will eventually subside. However, they caution that the continued tensions between the Gulf Cartel and the Zetas, will make the situation unstable - and subject to sudden eruptions of violence - for the foreseeable future.

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