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House of Representatives

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December 5, 2011

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

Dear Mr. Attorney General:

Yesterday, in a front page story, the *New York Times* reported that “in operations supervised by the Justice Department and orchestrated to get around sovereignty restrictions,” American narcotics agents have “laundered or smuggled millions of dollars in drug proceeds as part of Washington’s expanding role in Mexico’s fight against drug cartels.”¹ As you are fully aware, since March of this year, I have been investigating the reckless tactics – in particular gunwalking – used in ATF’s Operation Fast and Furious. That operation, which you personally acknowledged was “fundamentally flawed,”² failed spectacularly to meet its objective of bringing down Mexican drug cartels. Precisely because the ends do not justify the means, the law limits the conduct alleged in this story.

Apparently, this same goal of dismantling Mexican drug cartels motivated the Drug Enforcement Administration in aiding and abetting these same cartels in laundering millions of dollars in cash. In fact, the *New York Times* reports that agents needed to seek Department approval to launder amounts greater than \$10 million in any single operation. Officials quoted in the story said this \$10 million cap was more of a guideline than a rule, noting that it has apparently been waived on many occasions to “attract the interest of high value targets.”³ These statements suggest that U.S. undercover agents have been involved in laundering hundreds of millions of dollars.

These money laundering operations are reportedly known as “Attorney General Exempt Operations.”⁴ While these Attorney General Exempt Operations have been forbidden in Mexico since 1998, it appears that they may have been resurrected in an effort to stem violence in Mexico, which has been spiraling out of control due to the drug trade. It also appears as though

¹ Ginger Thompson, *D.E.A. Lauanders Mexican Profits of Drug Cartels*, N.Y. TIMES, Dec. 4, 2011, at A1.

² Letter from Hon. Eric H. Holder, Jr., Att’y Gen., U.S. Dep’t of Justice, to Rep. Darrell E. Issa, Chairman, H. Comm. on Oversight & Gov’t Reform, *et al.* (Oct. 7, 2011).

³ Thompson, *supra* note 1.

⁴ *Id.*

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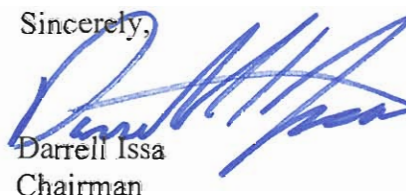
these American agents, posing as smugglers, assisted Mexican drug cartels in their illicit and deadly drug trade. These allegations, if true, raise further unsettling questions about a Department of Justice component engaging in a high-risk strategy with scant evidence of success. Specifically, they raise questions about “the [DEA’s] effectiveness in bringing down drug kingpins, underscore diplomatic concerns about Mexican sovereignty, and blur the line between surveillance and facilitating crime.”⁵

The existence of such a program again calls your leadership into question. The managerial structure you have implemented lacks appropriate operational safeguards to prevent the implementation of such dangerous schemes. 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, which has thus far left more than 40,000 people dead in Mexico since December 2006.⁶

Given your upcoming testimony this Thursday before the House Judiciary Committee, it is imperative that Congress be apprised of the true dimensions of these alleged operations immediately. Please arrange to provide a briefing to my staff by no later than Wednesday, December 7, 2011, at 5:00 pm to address these allegations. This briefing should include materials on the Attorney General Exempt Operations, particularly as they regard Mexico, as well as details on which DOJ agencies and offices are responsible for overseeing and approving these operations and the requirements for approvals and waivers.⁷

If you have any questions, about this request, please contact Henry Kerner of the Committee staff at (202) 225-5074. I look forward to receiving your prompt response.

Sincerely,



Darrell Issa
Chairman

cc: The Honorable Elijah E. Cummings, Ranking Member

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*