For the past decade, Mexico has endured protracted violence and conflict. The battle to control illicit markets, chiefly the drug trade and extortion rackets, has engaged organised crime and self-defence groups in a bloody struggle, which has been met by the security forces’ uncompromising “mano dura” (iron fist) response.¹ The authorities’ highly militarised response has led to extrajudicial executions and abuses of power by state security personnel and contributed to the deaths of 200,000 citizens. These dynamics of insecurity have had a devastating effect on human security and human rights,² turning Mexico into a state that has become one of the world’s most dangerous for journalists and human rights advocates.³

Underpinning the current security situation is endemic corruption across government institutions that has facilitated the expansion of organised crime groups and undermined state capacity to respond.⁴ Mexico’s current president, Andrés Manuel López Obrador was elected on an anti-corruption platform and with promises to reverse the ‘mano dura’ policy of his predecessors. However, his administration has been characterised by democratic backsliding⁵ and the sustained militarisation of public security,⁶ marked by significant increases in defence and security spending.⁷ The result is an imbalanced defence sector, one receiving considerable resources and political attention but with under-developed and opaque governance mechanisms that significantly increase the risk of corruption. External oversight is extremely weak and scrutiny limited by defence institutions’ high levels of secrecy. This extends to budgetary and procurement issues, which are generally non-transparent and of which only partial information is made public. Finally, weak anti-corruption frameworks for personnel and operations significantly increase the risk of abuses during troop deployments.

Latin America

Latin America is experiencing one of the most difficult periods in its recent history. The coronavirus pandemic, steep economic contraction and significant democratic backsliding and political polarisation are threatening to undo much of the development, security and governance gains the region has achieved. The financial crisis has fed into public anger at rising inequality, corruption, poor public services and police brutality, with many states seeing massive public protests and social unrest. Insecurity is also on the rise, particularly in Mexico, Colombia, Venezuela and Brazil where powerful organised criminal groups have expanded their influence and capitalised on state dysfunction to strengthen their trafficking networks. Backsliding has been visible from Chile to Mexico, as democratic institutions have been undermined and the military has gained increased political power. The expanding role of the military is also raising questions about governance standards. Allegations of human rights abuses and abuses of power by defence and security forces are mounting, but these actors remain largely unaccountable to the public. Transparency in their activities, administration and financial management continues to be restricted and executive control has been tightened, to the detriment of external oversight. Procurement in particular is at high risk of corruption, while anti-corruption safeguards on operations are extremely weak.

Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

Risk Comparison

**Mexico Score**

**Very High Risk**

Overall scores vary across different sectors:

- **Political**: Region Aggregate Index 39
- **Financial**: Region Aggregate Index 38
- **Personnel**: Region Aggregate 39
- **Operational**: Region Aggregate Index 18
- **Procurement**: Region Aggregate Index 37

*Indices range from 0-100, with higher scores indicating lower risk.*
Parliamentary oversight of the executive has historically been constrained in Mexico, with strong executive influence over Congress. The present administration presents further risks to the separation of powers, as the president’s political party has a majority in both chambers of Congress. The limits of parliamentary oversight are particularly evident with regards to defence. Despite relatively strong formal powers to formulate legislation, review policies and exercise budgetary control, in practice they are rarely exercised. The bicameral National Security Commission and the National Defence Commission in the Chamber of Deputies have not discussed major budget or arms acquisitions issues since 2018 and generally skirt discussion of delicate issues. The commissions are further restricted in their work due to a lack of expertise and access to information. Classification laws, which result in audits that lack clarity, are particularly noted. Moreover, the tightening of executive control over defence policy, embodied by highly militarised public security and defence strategies, has seen the legislature increasingly side-lined from decision-making. The armed forces are gaining increasing influence under the current president López Obrador, who has granted them control over ports, border crossings and major infrastructure projects. This deepening alignment between the executive and military could lead to a further erosion of parliament’s defence oversight powers and raise significant questions around the extent of civilian control of the armed forces.

In parallel, financial oversight of defence is carried out internally by the Comptroller General of the Secretariat of National Defence (SEDENA) and externally by the Superior Auditor Federation (ASF). There is very little information available on the functioning of the internal audit unit, although it does share reports with the Secretariat of the Civil Service (SFP), and media investigations have revealed how corruption issues in SEDENA are often first raised in internal audit reports. In terms of external audit, the ASF reports to parliament and has a mandate to conduct financial and performance audits of government ministries. However, defence audits are irregular and superficial, with auditors limited in their access to information by expanding classification laws, which result in audits that lack clarity. Moreover, when audits are conducted, SEDENA regularly fails to integrate findings in its practice, undermining the ASF’s weak enforcement mechanisms.

Government corruption in Mexico has been facilitated in part by limited transparency of governance at the state, federal and local levels. Elected representatives have been largely accountable to voters and have skimmed billions of dollars from state coffers with near total impunity. Far from attempting to resolve the issue, the current President has been openly critical of the system that enables the public to access information about his administration. The military is one of the least transparent state institutions and benefits from a privileged position that exempts it from standard reporting, disclosure and transparency requirements. The defence budget, though published annually, is not detailed and lacks significant information related to arms acquisitions and does not contain any explanations or justifications for expenditure. The legislature, through the Committee on Budget and Public Accounts (CPOP), has extremely limited influence on budget decision-making. Its only authority is to issue non-binding recommendations that cannot be enforced, and which defence institutions are free to ignore entirely. Budget reliability is further undermined by the absence of controls around off-budget income and spending. Through the Secretariat of National Defence (SEDENA) is required to submit reports to the Ministry of Finance on off-budget income, this information is not made available to the public. There are also no institutional oversight mechanisms for this income, despite the military holding some significant commercial interests, with no record of either parliament or Superior Auditor Federation (ASF) scrutiny, raising questions as to how these funds are used by defence institutions. There is also legislation that prohibits off-budget military expenditure, increasing the likelihood of extra-budgetary defence purchases potentially fuelled by off-budget income. Military resistance to access to information regulations is another key obstacle to financial transparency. The General Law on Transparency and Access to Information creates a legal obligation for SEDENA to provide detailed information to the public. However, this requirement can be nullified through recourse to ‘national security’ arguments. As a result, information requests are often ignored or receive only vague replies, with SEDENA replying fully to just 7 per cent of FOI requests in 2018-2019.

9 Chamber of Deputies, Matters referred to the Commission of National Defence, LJV, Legislature.
11 Kate Lithiumum and Patrick J. McDermit, Mexico’s Military Gains Power as President Turns from Civic to Partner, Los Angeles Times, 21 November 2020.
13 Diana Lacondi, SEDENA Contracts by NAM have Anomalies, El Universal, 8 January 2019.
15 Icon Grills, ‘Mexico and the Gods of Corruption’.
defence personnel enjoy in the face of corruption cases indicates weak
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gifts, conflicts of interest and post-separation activities. There is also no
military personnel
safeguards for personnel are weak. For instance, the code of conduct for
Abuses of power are a particularly pressing risk when anti-corruption
political factors, which play an outsized role.
appointments and these positions are generally decided on the basis of
control over the process. At senior levels, there is no external audit for
promotions, external scrutiny is weak and allows for significant executive
data on whistleblower claims and cases. Finally, in terms of recruitment and
little evidence that the practice is encouraged and SEDENA does not collect
regarding military abuses.
Human Rights Commission (CNDH) received nearly 3,000 complaints
widespread human rights abuses. Between 2014 and 2019, the National
Human Rights Commission (CNDH) received nearly 3,000 complaints
regarding military abuses.26 The militarisation of public security, including
the creation of the National Guard to replace the Federal Police as the
government’s main law enforcement body,27 echoes previous government
approaches that contributed to serious cover-ups of human rights abuses,
including enforced disappearances, torture and extrajudicial killings.28
Abuses of power are a particularly pressing risk when anti-corruption
safeguards for personnel are weak. For instance, the code of conduct for
military personnel29 does not provide specific guidance in relation to bribery,
gifts, conflicts of interest and post-separation activities. There is also no
record of how the code is enforced as the Secretariat of National Defence
(SEDENA) does not keep records of this. However, the impunity that many
defence personnel enjoy in the face of corruption cases indicates weak
enforcement of anti-corruption regulations.30 The weakness of whistleblower
protection frameworks is a significant obstacle to building integrity. While
the General Law on Administrative Responsibilities provides for anonymous
complaints to be made when reporting corruption, protection measures only
apply when public servants report wrongdoing internally. Cases are decided
upon by the institution itself, raising the possibility of such measures not
being applied in certain circumstances.31 Within defence institutions, there is
little evidence that the practice is encouraged and SEDENA does not collect
data on whistleblower claims and cases. Finally, in terms of recruitment and
promotions, external scrutiny is weak and allows for significant executive
control over the process. At senior levels, there is no external audit for
appointments and these positions are generally decided on the basis of
political factors, which play an outsized role.28

The significant expansion of the armed forces’ activities has led to
widespread human rights abuses. Between 2014 and 2019, the National
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### Personnel Ethics Framework

<table>
<thead>
<tr>
<th>Whistleblowing legislation</th>
<th>General Law on Administrative Responsibilities (2016)</th>
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<tr>
<td># Code of conduct violations</td>
<td>Military: Data is not publicly available.</td>
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<tr>
<td>Financial disclosure system</td>
<td># submitted: Data is not publicly available.</td>
</tr>
<tr>
<td></td>
<td># of violations: Data is not publicly available.</td>
</tr>
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The deployment of Mexican troops on public security and counter-
organised crime operations has been well-documented.29 However, despite
these operations involving significant corruption risks, bringing personnel
in close contact with strong illicit economies and powerful organised crime
actors, anti-corruption safeguards for operations are virtually non-existent.
Mexico does not have a military doctrine that addresses corruption as a
strategic issue during deployments and there is no evidence that corruption
issues are taken into account in the forward planning of operations.
Anti-corruption training also appears limited. There is no evidence that
commanders receive tailored pre-deployment training on these issues, while
the Ethics and Conflict Prevention Committee does not appear to focus on
corruption risk during operations in its training and awareness raising
campaigns.30 The military does not appear to have a policy of monitoring
and evaluating corruption risks in the field and there is no practice of
deploying trained personnel to carry out monitoring and reporting duties in
relation to corruption. Finally, the growing role of private military and
security companies (PMSCs) in the fight against organised crime in Mexico
is deepening concerns around human rights and abuses of power.31
Mexico has not signed the Montreux Document and has no legislation in
place regulating their use, allowing national and international companies to
operate in the shadows. This near-total lack of oversight and checks and
balances presents significant corruption risks in the area of operations.

23 Mary Beth Sheridan, ‘As Mexico’s Security Deteriorates’.
24 Human Rights Watch, ‘Mexico’.
26 Human Rights Watch, ‘Mexico’.
27 Government of Mexico, General Law on Administrative Responsibilities.
31 Antoine Perret, ‘Privatization Without Regulation: The Human Rights Risks of Private Military and Security

### Operations

| Total armed forces personnel (World Bank, 2018) | 348,000 |
| Troops deployed on operations # | Unknown number in Mexico, 6 in Colombia (UNVIMIC), 4 in Western Sahara (MINURSO), 4 in Mali (MINUSMA), 2 in CAR (MINUSCA), 1 in India (UNMOGIP) |

The deployment of Mexican troops on public security and counter-
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operate in the shadows. This near-total lack of oversight and checks and
balances presents significant corruption risks in the area of operations.
**Defence Procurement**

| Military expenditure (US$ mil) (SIPRI, 2020) | 6,607 |
| Open competition in defence procurement (%) | 45% |
| Main defence exports – to (SIPRI, 2016-20) | Ecuador |
| Main defence imports – from (SIPRI, 2016-20) | United States, Netherlands, France, Israel, Canada |

With the defence and security forces at the heart of the government’s response to the public security crisis, Mexico’s defence spending has increased noticeably over the past five years. Even in the midst of the COVID-19 pandemic, the Secretariat of National Defence (SEDENA) has received a 20 per cent boost for 2021. Fuelled by militarised responses to the fight against organised crime, arms imports have increased by 17 per cent in the period 2015-2019. However, the increase in defence procurement has not been matched by a strengthening of governance processes for arms acquisitions. On the legislative side, public procurement is regulated by the Law on Public Sector Procurement. The law excludes military acquisitions from public bidding regulations and authorises the recourse to restricted tenders for vaguely defined ‘national security’ reasons. This has facilitated the development of irregularities in the acquisition process, with SEDENA failing to notify external audit bodies about the acquisition of aircraft and refusing to justify why restricted tenders were used to acquire goods for a medical centre. Secrecy is a key facilitator of this. While defence acquisitions are published quarterly and supposed to contain contract details, exemptions for classified purchases are routinely abused and extended to the majority of defence contracts. Additionally, though the procurement cycle is formalised from needs assessment to contracting and asset disposal, there remain gaps through which unjustified acquisitions can be made. Despite purchases being required to align with the objectives of the National Development Plan, the government has routinely used national security reasons to justify unplanned, strategically ambiguous purchases that occur largely outside of the formalised procurement cycle. Between 2017 and 2019, 40.1 per cent of SEDENA contracts were made through direct awards to single suppliers, without recourse to tendering, while a further 14.9 per cent were awarded through invitation to tender to three selected suppliers. While deviations from public tendering are supposed to be justified to the Superior Auditor Federation (ASF), this is rarely the case in practice for defence and security contracts and ASF’s oversight occurs largely post-factum leaving little scope for selected procedures to be questioned. This issue points to a wider challenge for ASF, which is the only external entity mandated to scrutinise defence procurement. It does not have the resources to effectively fulfil this mandate, and questions have also been posed about the ASF’s own track record of integrity.

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32 Sheridan, ‘As Mexico’s Security Deteriorates’.
34 Government of Mexico, Law on Acquisitions, Leases and Services to the Public Sector, Official Gazette, 4 January 2000, Article 41 III.
36 India Cirigo and Viridiana Garcia, ‘CNI, SEDENA and the Navy Reserve 500 Files, Despite AMLO’s Instruction to be Transparent’, Contra Linea, 30 October 2019.
40 Government of Mexico, Law of Acquisitions, Article 40.
# Mexico 2020 GDI Scorecard

## Overall Country Score

<table>
<thead>
<tr>
<th>Risk</th>
<th>Grade</th>
<th>Score</th>
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</thead>
<tbody>
<tr>
<td>Very High Risk</td>
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## Global Defence Integrity Index (GDI)

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<th>Score</th>
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<tr>
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<tr>
<td>Defence Committee</td>
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<tr>
<td>Defence Policy Debate</td>
<td>D</td>
<td>38</td>
</tr>
<tr>
<td>CSO Engagement</td>
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<tr>
<td>Conventions: UNCAC / OECD</td>
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<tr>
<td>Public Debate</td>
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<tr>
<td>Anticorruption Policy</td>
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<tr>
<td>Compliance and Ethics Units</td>
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<td>Risk Assessments</td>
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<tr>
<td>Acquisition Planning</td>
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<td>Budget Transparency &amp; Detail</td>
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<td>Budget Availability</td>
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<td>Defence Income</td>
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<td>External Audit</td>
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<td>Natural Resources</td>
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<td>Organised Crime Links</td>
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<tr>
<td>Organised Crime Policing</td>
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<td>Intelligence Services Oversight</td>
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<td>Intelligence Services Recruitment</td>
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<td>Asset Disposal Controls</td>
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<td>Access to Information</td>
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<tr>
<td>Beneficial Ownership</td>
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<tr>
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<td>Unauthorised Private Enterprise</td>
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<td>Defence Spending</td>
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<td>Public Commitment to Integrity</td>
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<td>Whistleblowing</td>
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<tr>
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<tr>
<td>Objective Promotions</td>
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<tr>
<td>Bribery to Avoid Conscription</td>
<td>C</td>
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<tr>
<td>Bribery for Preferred Postings</td>
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<tr>
<td>Chains of Command and Payment</td>
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<tr>
<td>Military Code of Conduct</td>
<td>C</td>
<td>50</td>
</tr>
</tbody>
</table>

## Personnel Risk

- **Civilian Code of Conduct**: C 58
- **Anticorruption Training**: NEI
- **Corruption Prosecutions**: C 50
- **Facilitation Payments**: E 17

## Operational Risk

- **Military Doctrine**: F 0
- **Operational Training**: F 0
- **Forward Planning**: F 0
- **Corruption Monitoring in Operations**: F 0
- **Controls in Contracting**: F 0
- **Private Military Contractors**: NS

## Procurement Risk

- **Procurement Legislation**: E 25
- **Procurement Cycle**: C 63
- **Procurement Oversight Mechanisms**: C 50
- **Potential Purchases Disclosed**: F 13
- **Actual Purchases Disclosed**: C 50
- **Business Compliance Standards**: F 0
- **Procurement Requirements**: C 50
- **Competition in Procurement**: F 13
- **Tender Board Controls**: D 42
- **Anti-Collusion Controls**: C 56
- **Contract Award / Delivery**: D 38
- **Complaint Mechanisms**: A 100
- **Supplier Sanctions**: D 42
- **Offset Contracts**: F 0
- **Offset Contract Monitoring**: F 0
- **Offset Competition**: F 0
- **Agents and Intermediaries**: F 13
- **Financing Packages**: F 0
- **Political Pressure in Acquisitions**: NS

## Key

- **NEI**: Not enough information to score indicator
- **NS**: Indicator is not scored for any country
- **NA**: Not applicable

---

**OVERALL COUNTRY SCORE**

**Risk Grade**

- A: 83-100 **Very Low**
- B: 67-82 **Low**
- C: 50-66 **Moderate**
- D: 33-49 **High**
- E: 17-32 **Very High**
- F: 0-16 **Critical**

**Overall Score**: 30 **Very High Risk**
We would like to thank the UK Foreign Commonwealth and Development Office (FCDO) and the Ministry of Foreign Affairs of the Kingdom of the Netherlands for their generous financial support of the production of the Government Defence Integrity Index. Thanks are also extended to the many country assessors and peer reviewers who contributed the underlying data for this index.

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