



United States Department of State

Washington, D.C. 20520

The Honorable
Patrick Leahy
United States Senate
Washington, DC 20510

JAN 18 2017

Dear Senator Leahy:

Thank you for your letter dated December 21, 2016 regarding the export of defense articles via Direct Commercial Sales (DCS) and Foreign Military Sales (FMS) to Mexico. We are writing to respond to the specific questions you posed in that letter.

1. Regarding the DCS cases, what controls are in place for this equipment to ensure that it is not used by military or police units with records of gross human rights violations or collaboration with organized crime?

For DCS licenses proposing the export of defense articles to any end-user in Mexico, each application is reviewed on a case-by-case basis and takes into account all aspects of the Conventional Arms Transfers Policy, including whether or not the arms transfers may contribute to human rights violations or violations of international humanitarian law. Issues regarding human rights concerns of various units are addressed during the interagency review process and are the subject of government-to-government discussions as necessary via our Embassy. If there are concerns that items may be diverted for use by criminal elements, the Directorate of Defense Trade Controls (DDTC) in the Department's Bureau of Political-Military Affairs will conduct a pre-license or post-shipment check on related transactions and will deny a license if such derogatory information is discovered.

2. Regarding the FMS case of three UH-60M Black Hawk helicopters and M134 7.62 machine guns (ref 15-AD-MX-TR), what controls are in place for this equipment to ensure that it is not used by units with records of gross human rights violations or collaboration with organized crime?

As with DCS license applications, FMS cases are evaluated in accordance with the Conventional Arms Transfer Policy, taking into account the recipient's human rights record. As such, the aircrew and maintenance personnel of the Secretariat of the Navy (SEMAR), who were the recipients of the referenced UH-60M Black Hawk helicopters and M134 7.62mm machine guns, were subject to Leahy Vetting prior to receiving any U.S. training and were not found to have been associated with any human rights violations. SEMAR receives extensive human rights training from the United States via International Military Education and Training, Counter-narcotics training, and other U.S.-provided training. Additionally, this equipment is subject to annual random inspection as part of the established Golden Sentry program.

3. Please indicate, for both DCS and FMS for Mexico:

Have any units of the military or federal, state, municipal, or ministerial police been deemed ineligible to receive firearms? If so, how many units?

All arms sales are evaluated on a case-by-case basis, taking human rights into account. If end-users have been credibly implicated in gross human rights violations, transactions can be denied. Additionally, defense articles exported via DCS and FMS are subject to end-use monitoring.

Have any regions or states of Mexico been excluded from receiving firearms? If so, how many regions or states?

Currently, there are no geographic restrictions on the export of defense articles via DCS and FMS to Mexico. However, as noted previously, each sale is evaluated on a case-by-case basis, and pre-license and post-shipment checks are frequently conducted to mitigate risk of firearms being diverted to criminal organizations.

It is my understanding that SEDENA is the central distributor of firearms and military equipment not only to military units, but to all police units at the federal, state, and municipal levels. What procedures, if any, are used to identify final end users within Mexico, beyond their possession by SEDENA? According to information I have received, disclosures about end use certificates provided by SEDENA to Germany for Heckler and Koch firearms suggest that these certificates may not have been reliable. What procedures does the Administration use to verify that end use certificates provided by SEDENA for firearms licensed for sale by the United States are reliable?

DDTC may choose to conduct a Blue Lantern end-use monitoring inquiry to verify the bona fides of the transaction and all supporting documents, including end-use statements, with the end-user. Blue Lantern inquiries, both pre-license and post-shipment, assist in identifying the precise end-users of defense articles exported via DCS beyond the Secretariat of National Defense (SEDENA) of defense articles exported via DCS.

4. Has the State Department initiated any Blue Lantern inquiries for firearms shipments to Mexico? If so, for what firearms and companies? What was the outcome of the inquiries?

DDTC has conducted 52 Blue Lantern checks on firearms in Mexico since 2010, 17 (32 percent) of which were closed "unfavorable," meaning that findings did not comport with information listed on the application or license. Reasons for unfavorable determinations range from administrative errors to inventory inaccuracies and non-responsiveness of the monitored parties. We would be pleased to brief you or your staff on the specifics of these Blue Lantern inquiries.

5. Regarding the license for Sig Sauer, Inc. associated with DDTC 14-121: "For the manufacture of Sig Sauer rifles and pistols and refurbishment of existing inventories for end use by the Mexican Navy, Ministries of National Defense and Interior, Federal and State Police Forces."

- **What is meant by "the manufacture of Sig Sauer rifles and pistols"? Does this refer to transfer of manufacturing capabilities, licenses, equipment, or other items that are not firearms, and if so how much of the \$266 million licensed under DDTC 14-121 is for non-firearms transfers?**
- **What types and models of firearms are licensed for transfer under DDTC 14-121?**

The aforementioned agreement allows Sig Sauer (SIG) to provide the Secretariat of the Navy (SEMAR) with technical data and quality control inspection data, as well as techniques and processes for the refurbishment of M16A2, M4, and AR-15 rifles with SIG sub-components; the assembly of SIG MPX SMG kits to be supplied to SEMAR; and the assembly of SIG Model SP2022, P224, P226, MK25, and P229 semi-automatic pistols from SIG-supplied kits. Additionally, SIG will supply SEMAR with tools and gauges for the

inspection and testing of the aforementioned firearms, as well as engineering support for SEMAR to attach its existing inventory of M203 40mm grenade launchers to the updated SIG components on the various rifles. \$1.1 million dollars of the agreement is for non-firearms transfers (defense services, technical data, tooling, fixtures, and other support equipment). This information is derived from information submitted to the Department of State by the applicant, which is subject to the confidentiality requirements of Section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury.

We hope this information is useful and addresses your questions and we stand by to provide additional information as requested.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julia Frifield".

Julia Frifield
Assistant Secretary
Legislative Affairs