



U.S. Immigration and Customs Enforcement

STATEMENT

OF

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DEPARTMENT OF HOMELAND SECURITY**

BEFORE

HOUSE COMMITTEE ON GOVERNMENT REFORM

**SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN
RESOURCES**

**“THREAT CONVERGENCE ALONG THE BORDER: HOW DOES DRUG
TRAFFICKING IMPACT OUR BORDERS?”**

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Room 2203 Rayburn House Office Building

Good afternoon Chairman Souder and Ranking member Cummings of the Subcommittee. Thank you for the opportunity to address you today to discuss the efforts of U.S. Immigration and Customs Enforcement (ICE) in the fight against drug smuggling. Since last year, when Assistant Secretary Michael J. Garcia testified before you, our focus on counternarcotics enforcement has remained constant.

As the largest investigative arm of the Department of Homeland Security (DHS), ICE is responsible for identifying and eliminating vulnerabilities at our Nation's border. Our agency seeks to prevent terrorist acts and criminal activity by targeting the people, money and materials that support terrorist and criminal organizations.

The 2005 National Drug Threat Assessment produced by the National Drug Intelligence Center (NDIC) makes it clear that the Southwest Border is the center of gravity for most drugs smuggled into the United States. Also Mexican drug trafficking organizations are playing a growing role in both the smuggling into and distribution of drugs within the United States. For instance, the NDIC assessment estimates that approximately 77 percent of the cocaine smuggled into the United States entered through Mexico in 2003 and the estimate is higher for 2004. Despite, or possibly as a result of, successes in controlling methamphetamine precursor chemicals in the U.S. and Canada, production of methamphetamine in Mexico appears to be increasing.

ICE investigators are focused on attacking the organizations that are responsible for the illicit movement of people, money and materials across our nation's borders. All smuggling, no matter what commodity is involved, represents a vulnerability to our nation's security. ICE's efforts directly support priorities articulated in the President's National Drug Control Strategy. The core of ICE's contribution to the national drug effort is our investigations, which focus on attacking transportation networks and the illicit proceeds derived from all smuggling.

Attacking Organizations

Several recent investigative milestones demonstrate ICE's successful focus on disrupting and dismantling smuggling organizations. In November 2004 and February 2005, Gilberto and Miguel Rodriguez Orejuela, founding members of the Cali Cartel, were extradited to Miami from Colombia as a result of an ICE led investigation that is one of the longest and most successful Organized Crime Drug Enforcement Task Force (OCDETF) investigations ever conducted. The Rodriguez Orejuela brothers are the highest level narcotics traffickers ever to be extradited from Colombia to the United States. Miguel Rodriguez Orejuela was in the first group to be designated as Consolidated Priority Organization Targets (CPOTS) by the Justice Department in 2002. The criminal indictments that resulted in the extradition of the Rodriguez Orejuela brothers also included criminal forfeiture counts that target \$2 billion in proceeds. ICE agents have

established that the Rodriguez Orejuela brothers earned these proceeds from their narcotics trafficking activities.

Also in November 2004, ICE agents in San Diego completed Operation Crystal Corridor, an investigation that focused on the smuggling of methamphetamine and methamphetamine precursor chemicals from Mexico to the U.S. During the course of the investigation, ICE agents conducted a Title III intercept that resulted in the seizure of twenty four (24) pounds of methamphetamine, one thousand (1000) pounds of iodine, twenty five (25) gallons of hydriodic acid and forty (40) gallons of hypophosphorous acid. The Drug Enforcement Administration's Southwest Laboratory estimated that approximately 400 pounds of finished methamphetamine could have been produced with these chemicals. To date, Operation Crystal Corridor has resulted in the indictment of 26 subjects in the U.S. and Mexico.

In a preemptive effort, ICE has dedicated resources to investigating, disrupting and dismantling those organizations that smuggle drugs into Mexico prior to their entry into the U.S. For example, through Organized Crime Drug Enforcement Task Force (OCDETF), Operation Panama Express, agents from ICE, DEA and the FBI are providing tactical intelligence to interdictors, principally the U.S. Coast Guard. This practice has continued to result in significant seizures of cocaine destined to the United States through Mexico. While Operation Panama Express is often referred to as a "transit zone" operation, we also see it as an

important contributor to our Southwest Border effort. Every ton of bulk cocaine seized from a go-fast boat has a force multiplying effect by eliminating the need to interdict that cocaine at the Southwest border.

Interagency Cooperation

ICE's ability to attack smuggling organizations is inextricably linked to our cooperative efforts with other law enforcement agencies. As indicated by today's panel, it is clear that the success of attacking smuggling doesn't rest with one Department. In coordinating and synchronizing our organizations, we have made important strides to insure that the actions of our organizations complement each other and work in furtherance of larger strategic goals.

The first of these is the concept of information sharing, a key element in both the ICE and the President's drug strategies. Every day ICE agents provide tactical intelligence to interdictors that result in seizures of drugs, drug related assets and the apprehension of undocumented aliens. The value of this intelligence is immeasurable; it allows interdictors to focus our limited resources at the times and places they are most likely to have an impact. The most significant example of the benefit of this information sharing is found in Operation Panama Express, but it also happens every day at Ports of Entry, Border Patrol Checkpoints and between the Ports of Entry where the information developed by ICE agents results in seizures of drugs and apprehension of undocumented aliens.

In January 2005, in order to further enhance information sharing, the Office of Investigations at ICE and the Office of Border Patrol at U.S. Customs and Border Protection (CBP) entered into a memorandum on the, " Guidelines Governing the Interaction Between ICE's Office of Investigations and CBP's Border Patrol" that formalized some the major roles and responsibilities between our two offices.

The agreement is intended to enhance the work of both organizations by defining the roles and responsibilities of "interdictors" and "investigators" between the ports of entry. Prior to these guidelines, there was little or no coordination between agencies before the creation of DHS. The guidelines provide for the flexibility necessary for Special Agents in Charge and CBP Border Patrol Sector Chiefs to develop local protocols for the implementation of the agreement while taking into account differences in the threat and nature of smuggling in their respective areas of operation. The agreement calls for a review of progress made after six months and both ICE and CBP headquarters have solicited input from our field offices in furtherance of this assessment.

It is also important to note that our cooperative efforts are focused internationally. ICE has committed to working cooperatively with our foreign law enforcement counterparts in order to enhance our ability to attack smuggling organizations. In our drug investigations, this involves working cooperatively with the Drug Enforcement Administration and through their Country Attaches to expand our drug investigations overseas. ICE agents also have at their disposal the resources of ICE Attaches and Senior ICE Representatives located throughout

the world. In the case of Mexico, ICE is in the beginning stages of taking this cooperation to the next level by working even more closely with our Mexican law enforcement counterparts. These steps are a direct result of ICE trying to apply the lessons learned from our experience on the Northern Border where our leadership role in the Integrated Border Enforcement Teams has shown the benefits of foreign cooperation.

The participation of ICE in the Organized Crime Drug Enforcement Task Force program and the benefit that ICE derives from our participation in OCDETF can't be minimized. ICE's most significant investigations, including most of those mentioned today, have been OCDETF cases.

Financial Investigations

As this Committee is well aware, ICE and one of our legacy agencies, the U.S. Customs Service, has been a leader in successfully investigating the economic proceeds of crime since the Money Laundering Control Act was passed in 1986. Since the creation of ICE, our financial investigations have evolved into a systemic focus that identifies vulnerabilities that cut across the spectrum of criminal activities. A key component of how ICE contributes to the National Drug Control Strategy is our focus on attacking the money and assets that drug traffickers earn through their criminal activity.

Operation Wire Cutter is a prime example of how ICE agents have been able to apply a systemic approach to money laundering and work cooperatively with our foreign law enforcement counterparts to attack methods used by criminal enterprises to launder their illicit proceeds. Operation Wire Cutter, a three year OCDETF investigation, resulted in the arrest of 41 individuals and the seizure of \$7.5 million dollars, 755 kilograms of cocaine, 6.5 kilograms of heroin, and 205 pounds of marijuana. The operation marked the first time that U.S. authorities were able to combine investigation in this country with investigative efforts of Colombian authorities to target BMPE money brokers. Eight Colombian money brokers were arrested and extradited from Colombia with the assistance of the Departamento Administrativo de Seguridad (DAS) pursuant to provisional arrest warrants filed in New York for money laundering violations. All eight money brokers have now been convicted in the Southern District of New York. It should also be noted that this marked the first time that a money broker was extradited from Colombia to the United States.

The efforts of ICE and other agencies focused on money laundering and alternative remittance systems have caused smuggling organizations to increasingly rely on moving their proceeds in bulk form out of the country. This year, in an effort funded by OCDETF, ICE agents will be providing training on bulk cash smuggling to other agencies. Our training will be geared toward our partners in State and local law enforcement who encounter an increasing amount of bulk currency on the highways of the United States. For the first time, ICE

agents will also be providing this training to U.S. Customs and Border Protection Border Patrol Agents who are encountering significant quantities of bulk cash that is derived from criminal activity.

The focus today on our work on the Southwest Border should not be taken to minimize the smuggling threats in other areas. On our Northern Border, we have seen a continuing growth in the smuggling of Canadian produced marijuana into our country and, in some cases, the smuggling of cocaine from the U.S. into Canada. The Northern Border drug threat also includes ecstasy and methamphetamine precursors such as ephedrine.

ICE and the other DHS agencies have worked in partnership and with our Canadian law enforcement partners through Integrated Border Enforcement Teams to identify and attack organized smuggling groups that operate along the northern border. Like the border with Mexico, smuggling organizations operating along our northern border are increasingly sophisticated and are involved in smuggling drugs, aliens, commercial merchandise and currency in both directions.

For example, in early May 2005, CBP officers and ICE agents collaborated in an operation that resulted in the arrest of three subjects and the seizure of 117 kilograms of ecstasy and 302 kilograms of ephedrine that was smuggled into the country concealed in a shipment of grass seed. When CBP officers discovered

the drugs during an inspection of a commercial truck, ICE agents initiated a controlled delivery in which the truck was followed to a warehouse in Blaine, Washington. Surveillance conducted by ICE agents identified the three defendants attempting to pick up the shipment of seeds containing the drugs. Among the items of evidence seized from the defendants in this case was a Blackberry wireless device, which agents are increasingly encountering as a method of communication between members of smuggling organizations.

This committee has demonstrated an interest in the ongoing negotiations between ICE and DEA to update the 1994 Memorandum of Understanding between our two agencies. Upon his confirmation, Secretary Chertoff was briefed on the negotiations and issues that remained unresolved. As part of the Second Stage Review of DHS operations, the Secretary has included the MOU as one of the items that are to be considered in the larger review of our law enforcement operations.

As ICE has developed as an agency in the last two years, we have learned that our work is not conducted in a vacuum and that our investigations of one programmatic area can relate to and impact other parts of our mission. This “convergence” of threats is one that ICE, because of our combined authorities, is able to respond to in a very effective way. For example, ICE’s Operation Community Shield has shown how our immigration authorities can be used to disrupt the leadership structure and membership of street gangs that are involved

in all levels of drug activity. The combination of our immigration and customs authorities has been an important tool in apprehending gang members that can't be charged in the larger drug conspiracies. As an example, just last week our office in San Diego completed an Organized Crime Drug Enforcement Task Force investigation that targeted a street gang, the Tortilla Flats gang, which was heavily involved in the smuggling of drugs from Mexico to the United States. As a result of this investigation, which involved participation from ICE, the Drug Enforcement Administration, the State of California's Bureau of Narcotics Enforcement, the San Diego Sheriff's Department and the North County Regional Gang Task Force, agents have arrested twenty six (26) individuals and seized more than 1,364 pounds of marijuana, five (5) pounds of methamphetamine, 16 pounds of cocaine and \$145,000 in United States Currency.

As Mexican drug trafficking organizations exert more control of both smuggling and trafficking in the United States, as indicated by the 2005 NDIC threat assessment, the broad range of authorities vested in ICE agents will continue to make us an important tool in the drug fight.

In conclusion, I want to assure the subcommittee that investigating, disrupting and dismantling drug smuggling organizations remains at the core of what ICE agents are focused on in order to secure our borders in furtherance of our homeland security mission. By eliminating the infrastructure exploited by smugglers, whether they smuggle drugs, people or other contraband, border

security is enhanced. ICE is dedicated and committed to this mission. We look forward to working with the committee to enhance our abilities to accomplish this mission. I thank you again for inviting ICE to speak with you today and I would be glad to answer any questions that you may have at this time.