

STATEMENT

OF

**MARK KOUMANS
DEPUTY ASSISTANT SECRETARY
OFFICE OF INTERNATIONAL AFFAIRS
DEPARTMENT OF HOMELAND SECURITY**

BEFORE

**THE UNITED STATES HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON HOMELAND SECURITY APPROPRIATIONS**

March 10, 2009

Chairman Price, Ranking Member Rogers, and distinguished Members of the Subcommittee: I thank you for the opportunity to join today's panel and give testimony on this important and timely subject, which Secretary Napolitano has stated is one of her "top priorities" and requires our "utmost attention." I was asked to speak to you today about initiatives that DHS has undertaken with its counterparts in the Government of Mexico to address the organized crime and southbound weapons smuggling that now threaten our southwestern border. The DHS Office of International Affairs (OIA) serves as the interagency coordinator for many of the Department's international policies and programs—some of which you will hear about in more detail from my distinguished colleagues on the panel, who oversee their implementation and success.

Before I begin, I must first reinforce the seriousness of the problem that we face along the United States-Mexico border. I echo the words of Secretary Napolitano, who told the Homeland Security Committee on February 25th that "Mexico right now has issues of violence that are a different degree and level than we've ever seen before." The sustained levels of violence that we observe in Mexican border cities like Tijuana, Ciudad Juarez, and Nogales threaten private citizens, tourists, workers, and businesses alike. The approximately 6,000 drug-related murders in Mexico last year were more than twice the previous record. Almost 40 percent of those murders occurred in three states: Baja California, Chihuahua, and Sinaloa. In January 2009, the number of murders in Ciudad Juarez was three times higher than in January 2008.

We should make no mistake: this violence is directly related to the networks of organized crime which have flourished along the border. These well-funded and well-armed criminal elements turn a profit by illicitly trafficking in narcotics, firearms, currency, and human beings, while in turn perpetrating a sense of lawlessness that leads to more violence. The United States shares a responsibility to fight the effects of this violence. As Secretary Napolitano recently said: "The cash that is feeding these cartels is cash that is being made off the sale of illegal drugs. The weapons are primarily coming from the United States...there is an interconnection there."

While the scale of the problem is intimidating, there is reason for confidence. The Mexican government under President Felipe Calderon has waged what the Secretary called "a courageous battle" in "taking on these big cartels who are very large and flush with cash and very powerful in their own right." This commitment has led to an unprecedented level of cooperation between DHS and its Mexican counterparts in confronting the challenges involved in securing the border. Secretary Napolitano has signaled her own commitment, testifying before the House Homeland Security Committee on February 25 that working with Mexico to confront drug violence would be a DHS priority. Currently, DHS and its operational components are represented by over 50 personnel working in positions at U.S. Embassy Mexico and in local consulates.

Through operational components like Immigrations and Customs Enforcement (ICE), Customs and Border Protection (CBP), the U.S. Coast Guard (USCG) and others, DHS brings a unique set of capabilities and statutory authorities to bear on the mission of securing our southern border, while facilitating the legitimate movement of people and goods between the United States and Mexico. DHS recognizes that ensuring the integrity of the border requires mutual support between U.S. and Mexican agencies to apprehend criminals, deter illicit activity, and enforce the law. In this testimony I will speak to some of the important initiatives that DHS and the Government of Mexico (GOM) have

undertaken in areas of shared interest including border violence, arms smuggling, immigration and money laundering, such as bulk cash smuggling, and narcotics.

THE MERIDA INITIATIVE

To begin a new chapter in U.S.-Mexico cooperation, the two sides launched the Merida Initiative. Merida is the centerpiece of the U.S. Government's security cooperation with Mexico, representing a shared responsibility to eliminate the threat of organized crime that persists throughout the region. The Merida Initiative is a multiyear program that will provide assistance to Mexico and Central America in the form of capacity building, training, and long-term reform to better equip law enforcement agencies to complete their missions.

The Office of International Affairs works hand in hand with DHS components to support implementing appropriated funds and how best they can be most effectively spent. We also work closely with the Department of State (DOS), to enhance Mexican law enforcement capabilities and DHS's ability to secure the border in cooperation with Mexican agencies.

BORDER VIOLENCE AND LAW ENFORCEMENT

Secretary Napolitano has called attention to the issue of violence at and near our borders. In her hearing before the Homeland Security Committee on February 25th, Secretary Napolitano outlined the four actions we must take to address border violence. First, she said, "is interaction with Mexican law enforcement, particularly the federal government of Mexico" to address the drug war. This interaction is exactly what the Merida Initiative promises. Secondly the Secretary said we must look "government-wide at what we can do to stop the southbound export of weaponry, particularly assault-type weapons and grenades that are being used in that war." Thirdly, Secretary Napolitano emphasized the need for cooperative efforts and constant interaction with local law enforcement. Fourth, the Secretary noted the need for a contingency plan for worst-case scenarios.

DHS's combination of law enforcement and border management authorities place it in a unique position to address the causes and effects of border violence that stem from the smuggling of arms, narcotics, and humans across the U.S.-Mexican border.

One subject on which you will no doubt hear more from my DHS colleagues on this panel is the Border Enforcement Security Taskforce (BEST), created and led by ICE. More than a DHS program, BEST is a law enforcement model which recognizes that confronting the multifaceted threat of border violence requires sharing resources, information, and expertise. BESTs serve as a platform from which interagency partners can work together to address cross-border crime. The twelve BESTs that exist on our land borders and in major maritime port cities incorporate personnel from ICE, CBP, Drug Enforcement Administration (DEA), Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Federal Bureau of Investigation (FBI), U.S. Coast Guard, and the U.S. Attorney's Office along with other key federal, state, local and foreign law enforcement agencies. The Mexican law enforcement agency Secretaria de Seguridad Publica (SSP) participates in BEST activities on the southwest border. In Texas, the heightened cooperation with Mexican law enforcement has resulted in the successful return of

criminal fugitives being sought in both countries, including the removal to Mexico of one of that nation's Top Ten Most Wanted fugitives after his arrest in El Paso in 2007.

The ICE Attaché office in Mexico City has coordinated the establishment of vetted Special Investigative Units, seventy-plus officers strong, that work with ICE special agents assigned in Mexico to expand criminal investigations and prosecutions in areas such as money laundering and alien trafficking and smuggling. Corruption is not a new concern. Vetted units provide a firm foundation for cooperation between Mexican and U.S. investigators, and give them the means to work criminal leads in Mexico that can support ongoing criminal cases here in the United States.

Programs like ICE vetted units and BESTs thrive on the participation of Mexican law enforcement officials. While these ICE programs do not receive funding under Merida, assisting and training our Mexican counterparts allows them to expand their roles in these programs, and to continue the record of success demonstrated in these cooperative efforts. Merida funds will support equipment and training for units of vetted Mexican law enforcement officers that increase the effectiveness of investigations on both sides of the border.

While DHS works diligently with its Mexican counterparts to combat Mexican border violence, we must nonetheless be prepared for worst case scenarios. As Secretary Napolitano told the Homeland Security Committee, in the event that spillover violence occurs, “we do have contingency plans to deal with it. But it begins with state and local law enforcement on our side of the border. We support them as the first step in that contingency plan, should we see that kind of major spillover.” Timely sharing of information between U.S. law enforcement agencies and their Mexican counterparts is crucial to coordinating enforcement, investigation, and response. To facilitate this flow of information, in 2006 former Secretary Chertoff and Secretary Carlos Abascal of Mexico’s Interior Ministry (SEGOB) signed a Plan of Action on Border Violence which highlighted border violence protocols (BVPs). The Plan of Action in turn led to the creation of Border Security and Public Safety Working Groups, which worked to establish standardized notification procedures for violent incidents along the border and institutionalize information sharing between CBP and The Mexican Intelligence Agency (CISEN). The BVPs are now in place across the entire United States-Mexico border, and have been exercised fourteen times between United States Government (USG) and GOM agencies.

ARMS TRAFFICKING

No issue highlights the importance of cooperation with Mexico more than illicit weapons smuggling. The Government of Mexico has publicly expressed concerns that guns from the United States are making their way into Mexico only to be used by criminal elements. DHS—particularly ICE and CBP—is taking comprehensive measures to stop the southbound flow of firearms. Merida funds that go toward professionalizing and training Mexican law enforcement agencies like SSP in investigative techniques ultimately enhance the effectiveness of DHS efforts to clamp down on cross-border arms trafficking.

ICE and CBP have the authority to enforce export provisions of the Arms Export Control Act (AECA) as specifically designated within 22 CFR 127.4 of the International Traffic in Arms Regulations (ITAR). ICE also has newly-acquired, export authority

under Title 18, United States Code, Section 554 (Smuggling goods from the United States). This statute augments the broad arsenal of cross-border criminal authorities available to ICE investigators, and is particularly useful in targeting weapons smuggling. ICE's investigative priority is to prevent violent transnational criminal organizations—terrorist groups, drug cartels, and other criminal entities—from illegally obtaining U.S. origin munitions and related technology. CBP is charged with ensuring—through inspection, interdiction, and other enforcement actions—that weapons and munitions do not cross the border illegally.

Under these authorities, ICE devised Operation Armas Cruzadas—an unprecedented comprehensive and collaborative effort with the Government of Mexico to identify, disrupt, and dismantle the criminal networks whose livelihood relies on illicitly bringing arms across the border. Under Armas Cruzadas, ICE has implemented numerous activities that promote an intelligence-driven, systematic approach to arms trafficking investigations. Since September 2008, Operation Armas Cruzadas has resulted in 104 criminal arrests, 30 administrative arrests, 58 indictments, 42 convictions, and in the seizure of 420 weapons and 110,894 rounds of ammunition.

At the same time, Mexico is using its authorities to tackle the problem. In late February, Mexico began a pilot program to screen incoming traffic to look for guns, bulk cash, and other contraband. Mexico hopes to expand this program across the entire U.S.-Mexico border by the fall. Upon Mexican request, DHS is prepared to work with Mexican officials to fine tune targeting protocols, outline information sharing regimes, and increase joint investigations. While not directly linked to the Merida Initiative, it is another way in which DHS and Mexico continue to develop our relationship.

COUNTER NARCOTICS

Mexico is a major drug transit and producing country. Roughly 90 percent of all cocaine consumed in the United States transits Mexico, which is also a major source of heroin, methamphetamines, and marijuana in the United States. Much of the violence that occurs along the southwest border is related to the drug trade and the organized criminal elements which exploit that trade. Secretary Napolitano recognizes this relationship, and is committed to upholding our responsibilities. As she told the Homeland Security Committee, “dealing with these drug cartels as they are organized in Mexico is really the organized crime fight of the Southwestern United States...you’ve got to have the tools to work from the low level to the high level and try to interdict their operations.” DHS components—CBP, USCG, ICE, for example—have long standing relationships with their Mexican counterparts to jointly disrupt the activities of drug trafficking organizations (DTOs) on land, sea, and air. The Merida Initiative will help enhance their work by supporting bilateral information sharing, law enforcement training, and interdiction efforts.

DHS components execute a significant portion of the overall drug interdiction carried out by the U.S. Government. In FY2008, DHS accounted for over one million kilograms of seized marijuana, 50,000 kilograms of seized cocaine, and 2,000 kilograms of methamphetamines. ICE made 8,396 drug-related arrests and obtained 5,532 convictions. The USCG has worked closely with the Mexican Navy (SEMAR) to restrict traffickers' ability to flee into Mexican waters. On May 16, 2008, the Secretary of SEMAR, the Commander of U.S. Northern Command (NORTHCOM), and the

Commandant of the USCG signed a Maritime Operations Letter of Intent (LOI), which establishes a permanent working group dedicated to developing, exercising, and executing maritime security and safety standard operating procedures (SOPs) in the context of coordinated bi-national maritime operations. These SOPs facilitate the request and subsequent authorization to board and search Mexican or U.S. flagged vessels suspected of engaging in maritime drug traffic through the operational centers of respective national maritime enforcement authorities. The USCG has also provided extensive training to SEMAR and CST over the past decade. Since 2002, 29 Mobile Training Team (MTT) deployments and 25 resident training courses have taken place with Mexico in the areas of Maritime Law Enforcement, Port Security, Engineering, Search and Rescue, and Crisis Management.

The DHS Office of Counternarcotics Enforcement is co-leading, along with the Department of Justice, an interagency effort to update the SW Border Counternarcotics Strategy. This strategy sets forth in clear detail the USG's strategy for preventing the illegal trafficking of drugs across the US Mexico border; improving coordination and support among federal, state, local, and tribal authorities; and identifying specific resources and recommendations to improve our joint capabilities to combat the illicit drug trade and related criminal activities.

DHS sees the Merida initiative a vital tool in countering the illicit narcotics trade that leads to crime along the border. The equipment program support and training provided through the Merida Initiative funds will give Mexican officials the tools they need to carry out their mission. For example, Merida provides significant funding for Non-Intrusive Inspection Equipment (NII) which will allow Mexican authorities to more effectively screen vehicles and cargo. CBP, as the subject matter expert on screening, will be supporting the Department of State to determine how to most efficiently spend Merida dollars.

MONEY LAUNDERING AND BULK CASH SMUGGLING

The ability to illicitly transfer and launder money in large quantities is central to the operations of organized crime groups along the border. Secretary Napolitano has stated: "You have got to go after the money. You have to interrupt that chain of money that goes in the millions of dollars back and forth with these cartels." To combat innovative money laundering techniques, and the increasing trend of Bulk Cash Smuggling (BCS), DHS components have leveraged their authorities in partnership with Mexican agencies on several initiatives—like Trade Transparency Units (TTU) and Operation Firewall—that restrict violent criminal organizations' ability to operate.

The ICE Office of Investigations established Trade Transparency Units to target trade-based money laundering and to aid in the detection of commercial fraud. TTUs function primarily by exchanging trade data that supports investigations with foreign counterparts—facilitated by Customs Mutual Assistance Agreements. ICE is the only federal law enforcement agency exchanging trade data with foreign governments to investigate trade-based money laundering investigations.

In May 2008, ICE expanded the TTU program by establishing a TTU in Mexico City (Mexico TTU). Mexico TTU includes 15 law enforcement professionals—a dozen from the Mexican Hacienda, or Finance Ministry, known as the Central Administration for Taxation Intelligence for External Commerce; and three from ICE's Financial

Intelligence Unit. The Mexican government is now able to identify and collect revenues that are lost because of duty evasion, tax fraud, and over- and undervaluation of commodities.

Bulk Cash Smuggling (BCS) has become a preferred method of moving illicit funds into and out of the United States for terrorists, drug smugglers, human traffickers, and criminal organizations involved in cross-border crimes. To combat the increasing use of BCS, the ICE Office of Investigations teamed with the CBP Office of Field Operations Tactical Operations Division, to implement a joint strategic BCS initiative called Operation Firewall. Firewall interdiction efforts have targeted BCS via private vehicles, commercial airline passengers, and pedestrians transiting the border. ICE and CBP have expanded efforts to target BCS beyond our borders by offering training to customs authorities in Mexico as well as other international partners.

Since August 2005, Operation Firewall has resulted in the seizure of over \$178 million in U.S. currency and negotiable instruments. In FY 2008, ICE Attaché Mexico City recorded 16 arrests and 24 seizures related to Operation Firewall and Bulk Cash Smuggling, resulting in over \$50 million seized. On January 29, 2009, Operation Firewall in Mexico led to a seizure of \$2.4 million in U.S. currency at the International Airport in Mexico City. Mexican officials arrested the subject and charged him with money laundering violations.

TRAFFICKING IN PERSONS AND ILLEGAL IMMIGRATION

Maintaining the integrity of our borders includes both an understanding of what and whom cross our borders. DHS is seriously concerned about illegal immigration and illicit trafficking in persons, which not only present a dangerous humanitarian concern, but also a homeland security threat as well. Merida will help Mexican immigration authorities' work in conjunction with DHS through enhanced verification capabilities, and documenting of inbound and outbound cross-border travel.

In August 2005, CBP—in cooperation with the Mexican Attorney General's Office (PGR), the Ministry of Foreign Affairs (SRE) and Interior Ministry (SEGOB)—announced the implementation of the bilateral Alien Smuggler Prosecutions Program titled Operation Against Smugglers Initiative on Safety and Security (OASISS). OASISS expands upon previous efforts to identify and prosecute violent human smugglers and ultimately save the lives of migrants who are put at risk by smuggling organizations. OASISS assists both governments in the prosecution of alien smugglers and human traffickers who endanger migrant lives along the southwest border. OASISS aims to facilitate prosecutions in Mexico for those not prosecuted in the United States by establishing standard procedures. With Merida funds, Mexico intends to implement the OASISS program across the entire United States-Mexico border.

Another DHS component, the United States Visitor and Immigrant Status Indicator Technology program (US-VISIT) has also forged a strong and productive relationship with the Mexican government's Interior and Public Security Secretariats. US-VISIT is the lead U.S. government agency for biometric identity management capabilities, and has worked in close cooperation with Mexico's National Institute for Migration (INAMI) and Office for the National registration of the Populace (RENAPO) as they work toward integrating biometric capabilities into the information management systems deployed at Mexican Points of Entry. As Mexico further integrates biometrics,

into its law enforcement and border management procedures, it will be able to better identify and target criminals.

CONCLUSION: OTHER COOPERATION

The programs that I have discussed here portray the extensive cooperation currently underway between DHS and our counterparts in the Government of Mexico. Yet these initiatives are indicative of a deeper, institutional cooperation that exists across the Department's broad mission set.

Secretary Napolitano has already met with the Mexican Ambassador and the Mexican Attorney General, and plans to continue to be closely engaged in this effort. With her background as Governor of Arizona, she is committed that DHS will do all it can to cooperate with Mexico against all common threats. Another example of our broad cooperation with Mexico is the binding government-to-government agreement on science and technology for homeland security, signed in April 2008 by DHS and Mexican officials. Notably, this is the first and only agreement between the United States and Mexico that will allow for the sharing of classified information. In October 2008, DHS and the Department of State completed their work with the GOM's Civil Protection to update the 1980 U.S.–Mexico Emergency Management Agreement.

Taken together, all of these initiatives represent a remarkable step in cooperation with the government of Mexico that would not have been thinkable ten years ago. DHS is proud to be at the forefront of this strategic partnership with our neighbor to the South. We share a responsibility and a commitment to assist Mexico in defeating the criminal elements that have undermined the rule of law; and to ensure that American citizens on our side of the border remain secure from such violence.