



U.S. Immigration and Customs Enforcement

STATEMENT

OF

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BEFORE

**HOUSE COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN
RESOURCES**

AND

**HOUSE SELECT COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEE ON INFRASTRUCTURE AND BORDER SECURITY**

**“DRUGS AND SECURITY IN A POST-9/11 WORLD:
COORDINATING THE COUNTERNARCOTICS MISSION AT DHS”**

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INTRODUCTION

Good morning, Chairman Souder, Chairman Camp and Members of the Committees. It is my pleasure to be with you today to discuss how U.S. Immigration and Customs Enforcement (ICE) is working with our partner agencies within the Department of Homeland Security (DHS) in the fight against narcotics smuggling. My testimony today will focus on the counternarcotics mission of ICE, the authorities and assets we bring to this effort, and how we are working with other agencies to coordinate this mission – a mission tied directly to homeland security.

The mission of homeland security is to address vulnerabilities—vulnerabilities that expose our borders to infiltration, our financial systems to exploitation and that weaken our national security. Smuggling is a direct threat to our border security. Organizations that exploit our borders to bring in narcotics could, for the right amount of money, employ those methods to bring in components for weapons of mass destruction. Smugglers that prey on individuals seeking to come to America for economic opportunity could use the same routes and methods and exploit border vulnerabilities to bring terrorists into our country.

ICE seeks to use its extensive resources and authorities, working with our partners within DHS and other federal, state, and local law enforcement agencies, to close those vulnerabilities and protect our homeland. Let me give you an example.

Last November ICE Agents, building upon tremendous work done by Customs and Border Protection inspectors, investigated a massive narcotics importation conspiracy at John F. Kennedy Airport. The investigation targeted 19 airport workers—baggage and cargo handlers and their supervisors—with unrestricted access to international cargo and

passenger flights. Working closely with CBP and other federal and local agencies, this investigation netted 400 kilograms of cocaine and hundreds of pounds of marijuana, mostly from Guyana and Jamaica. Twenty-five defendants were charged, including 21 airport employees.

This case illustrates how a conspiracy to smuggle drugs into the U.S. among airport employees compromised our border security. It is apparent how a similar criminal conspiracy could create a vulnerability that could be exploited by terrorists. That is why ICE continues to aggressively work to identify and neutralize potential vulnerabilities and thereby protect our country from those that would threaten our national security.

COUNTERNARCOTICS MISSION AND AUTHORITIES

Prior to the creation of the Department of Homeland Security, the former U.S. Customs Service had a robust counternarcotics program built upon the extensive border authorities and smuggling expertise of that agency. Key to the success of that legacy program was a financial crimes expertise developed over the course of 30 years. This expertise was used against narcotics smugglers to seize assets, freeze bank accounts, and trace co-conspirators. The former Customs Service also had an Air and Marine component that provided an advanced interdiction capability on land and sea as well as the ability to support investigations, for example through overhead surveillance support enhanced by the use of night vision and microwave video downlink technology.

The former Immigration and Naturalization Service (INS) was involved in the counternarcotics effort primarily through use of its immigration authorities on various

counternarcotics task forces. Both former INS and former Customs had extensive intelligence resources to support their counternarcotics and smuggling work.

With the creation of ICE, we have merged those customs and immigration tools and authorities into one department and one agency – an agency dedicated to using those tools to protect our homeland security.

Smuggling organizations do not observe traditional divisions of labor. They are instead driven by profit. In fact, if you look at how organized smuggling networks operate, you will see that the most effective smuggling organizations have tremendous flexibility when it comes to what they smuggle. Using the same routes and methods, they may smuggle narcotics one week and human “cargo” the next, shifting their tactics in response to demand, profit margins, and changes in enforcement patterns.

ICE’s combined customs and immigration authorities allow us to match the smuggling organizations step-by-step as they move from one criminal enterprise to another. Whether narcotics smuggled through an airport or aliens smuggled into the country along our southwest border, ICE responds with the law enforcement tools necessary to dismantle the criminal enterprise, seize contraband, and seize profits. For example, in Operation ICE Storm in Arizona, we are attacking smuggling organizations that move people but also in some cases move drugs, and we are seeing measurable results – mainly in the decrease in violent crime in the Phoenix area.

Immigration enforcement authority is also a powerful tool that our agents use to attack and dismantle smuggling organizations—whether they smuggle drugs or people—and to bring other federal charges against targets or potential informants in ongoing drug smuggling investigations. This strategy has been used very successfully by drug

enforcement task forces in the past. We are seeing this authority used specifically in ICE's counternarcotics cases: increasingly, Title 8 immigration violation charges are now being brought against defendants alongside drug violations. In FY 2004 to date, ICE has effectively utilized Title 8 authority in more than 138 narcotics investigations compared to 76 cases in all of FY 2003.

Another key component of ICE's approach to counternarcotics is the use of our extensive financial crimes expertise. Criminal organizations such as drug or alien smuggling rings must find ways to disguise their illegal profits. That is why ICE targets money service businesses, bulk cash smuggling and trade based money laundering, such as the Black Market Peso Exchange (BMPE), which are used to launder narcotics proceeds. ICE Special Agents, CBP Inspectors and Border Patrol Agents work side-by-side at land borders, seaports, airports searching people, vehicles and cargo departing the United States.

New bulk cash smuggling authorities under the Patriot Act have given ICE an effective tool to combat bulk cash smuggling. Since July 2003, ICE and CBP have collectively seized \$40.5 million before it could be illegally exported, and ICE has arrested more than 133 individuals for bulk cash smuggling as a result of follow-up investigations to these seizures. The majority of these cases were associated with narcotics smuggling, but some had elements of alien smuggling as well. Operation ICE Storm, which I referred to earlier, targeted and successfully took away the profits from these violent human smuggling organizations: in just ten months, this operation has resulted in more than 225 arrests and the seizure of more than \$5 million dollars.

ICE has effectively integrated the intelligence experience and expertise of both former Customs and former INS into ICE's counter-smuggling strategies, operations and tactics. ICE is aggressively and effectively disrupting and dismantling the smuggling of drugs, persons, bulk cash and other contraband that comes across our borders and we are working to improve upon our efforts so that we are more effective in responding to these threats.

Our Office of Intelligence maintains an effective and powerful focus on drug interdiction as part of the larger counter-smuggling effort. ICE's Tactical Intelligence Center (TIC) is a classified facility that produces the kind of intelligence that has put interdiction assets right on top of smugglers with a multi-ton load of drugs. In FY 2004 to date, the TIC has provided intelligence that has resulted in the interdiction of 50 tons of cocaine – 34 tons seized and 16 tons sunk, burned or otherwise destroyed.

One of the key responders to TIC information is ICE's Air and Marine Operations (AMO). AMO assets allow us to cover a much wider range of territory – extending our borders to include source, transit, and arrival zones for narcotics smugglers – and in many cases stop the smugglers before they can even get to the United States. In Operation HALCON, for example, our AMO pilots are working in close partnership with Mexican law enforcement to interdict smuggling operations that attempt to penetrate the U.S. border. This initiative in the arrival zone, along with Operation Bahamas, Turks and Caicos in the transit zone, and Air Bridge Denial in the source zone, follow a successful “defense in depth” strategy.

A recent Operation Bahamas interdiction led to the seizure of 1,000 kilograms of cocaine. Acting on information provided by the Drug Enforcement Administration

(DEA) to AMO and the Coast Guard, AMO was able to pursue two go-fast vessels off the coast of the Bahamas, eventually using disabling fire to stop them. This operation led to the arrest of six individuals, the seizure of both vessels and the cargo of cocaine.

To fully take advantage of ICE's expanded authorities—and their particular effectiveness in dismantling smuggling organizations—one of our first priorities as a new agency was to cross-train all of our 5,500 agents. Former Customs agents are gaining Title 8 authority and former INS agents are gaining extensive border search authorities in addition to numerous criminal and civil authorities, creating a unified investigative workforce. Cross-training gives us much-needed flexibility to assign investigative resources where needed to address the changing tactics and methods used by smuggling organizations.

INTERAGENCY COOPERATION AND COORDINATION

As evident from a number of the case examples I have discussed, interagency cooperation and coordination is key to winning the war on drugs, and ICE is a valuable player that brings powerful authorities and assets to the table. Our joint enforcement actions allow our special agents to accurately identify, disrupt and dismantle smuggling organizations -- moving beyond the individuals who transport the drugs to attack the key managers and organizers in those organizations.

Just three weeks ago, CBP Officers assigned to the Port of Entry in San Ysidro, California, discovered a false compartment in an SUV containing 61 kilograms of cocaine. ICE Special Agents, with the assistance of airborne surveillance provided by AMO, and in coordination with the D E A, initiated a controlled delivery to a residence in

La Palma, California, where ICE agents arrested the recipient of the drugs, seized an additional 44 kilograms of cocaine as well as two more vehicles outfitted with false compartments. Following the successful completion of this delivery, ICE and DEA actively shared information in a joint effort to determine further investigative action.

This cooperation extends beyond our borders as well. Perhaps the best illustration of this collaborative interagency approach to counternarcotics is the initiative known as “Operation Panama Express,” an OCDETF investigation that targets cocaine smuggling operations originating from Colombia and focuses on identifying and disrupting new smuggling routes and methods. This is an exceptional example of U.S. and foreign law enforcement agencies pooling resources, sharing information, and coordinating efforts to more effectively target the cartels responsible for a significant portion of the drug trade into the United States. Since its inception in May 1998, “Operation Panama Express” has resulted in 614 arrests, the seizure of more than 195 tons of cocaine and \$915,000 in United States currency.

CONCLUSION

Narcotics smuggling poses a threat to our Nation: both as a direct result of the horrific effects on our society of the drug trade and as a national security issue. At ICE, we approach it as such: as a traditional law enforcement mission – one we are by law required to continue – and as a homeland security issue, a border integrity issue. Our combined resources make us more effective. Immigration authorities, customs smuggling and financial authorities, wide-ranging intelligence capabilities, an air and

marine presence, and our unique jurisdictions make ICE a powerful force in the counternarcotics effort.

ICE also understands that it is one player in that effort. More is required including increased cooperation and coordination with the Border Patrol officers out on the line in Texas, Arizona, California and the Northern Border; further cooperation with CBP inspectors in the lanes at our ports of entry; and enhanced cooperation with our colleagues in the Coast Guard who play such an important role in this mission. I salute the work done by all the men and women of DHS every day in addressing this threat and the achievements they have made.

I would like to thank you, Chairman Souder, Chairman Camp, and Members of the Committees, for the opportunity to testify before you today. I look forward to answering any questions that you may have.