



U.S. Immigration and Customs Enforcement

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**U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
DEPARTMENT OF HOMELAND SECURITY**

**SOUTHWEST BORDER CONFERENCE
(ONDCP)**

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Good afternoon everyone. Thank you for that kind introduction. Director Walters, thank you for inviting me to join you today in San Diego to talk a little bit about ICE's role and perspective on the fight against illegal drugs.

I'd like to begin my remarks today by telling you about Andres Cardenas, David Guzman Hernandez, and 25 of their friends. They were illegally in the United States and on Thursday, September 13, their day was just beginning. The day was like any other day in San Diego – it was overcast in the morning, but promised to burn off into a normal, sunny and 70-degree day. Their kids were at home, just barely starting the day, and Cardenas, Hernandez and their friends were doing what they'd been doing for months – dreaming of the day they'd go back to Acapulco to live out their years in the lavish mansions they'd built near the beach.

But their dreams were about to come to an end. You see, they weren't ordinary hard-working people who dream of retirement near the beach. A wire intercept on 18 separate target telephones told us much more – not only were they here illegally, but they

were deep into a drug smuggling ring that demanded up-front currency for drugs, and brought relatively small mixed-loads into the U.S. where it was stockpiled before being moved on to other cities for sale.

The largest of several operations that brought their ring down on September 13th was a delicate and dangerous undertaking to be sure. SWAT and SRT teams from both federal and a number of local law enforcement agencies participated. More than 150 federal, state and local officers hit the streets, along with the County of San Diego's Drug Endangered Children team. That day, the teams arrested 27 individuals, including Cardenas and Hernandez. They seized more than \$460,000, 10 weapons, 18 vehicles, 2 quads, a bunch of plasma TVs, 13 lbs of meth, a kilo of coke, and ¾ lb of heroin. And, they rescued 16 minors, two of who later tested positive for methamphetamine – the youngest to test positive was just 2 years old.

In addition to the 13 arrests on September 13th, this investigation also netted \$44,000 in currency, numerous weapons, vehicles, 16 lbs of meth, ½ kilo of coke and 14 pounds of heroin, all previously seized as part of the operation known as Operation “Trapped Under ICE.”

This case is a great example of the tremendous value of partnership at all levels – this case in fact began with a tip from the Chula Vista police who brought the case to our local task force. With smaller loads and up-front payments, a local tip was essential to spotting and tracking what turned out to be a very large ring.

Every day we are reminded that those who are involved with narcotics smuggling are often perpetrators of the violent crimes your agencies confront. Violence along the southwest border in particular is a growing problem, and ICE has implemented several operational initiatives to respond to this challenge, initiatives that allow us to partner with your agencies more effectively to meet our common mandates.

For example, in 2005, the areas between Laredo, Texas, and Nuevo Laredo, Mexico, witnessed a significant increase in violent crimes, including a higher incidence of murder and kidnappings, directly related to the 2 warring cartels.

In response to the increased violence, ICE partnered with CBP and other federal, state, and local law enforcement officials as well as our law enforcement partners from across the border in Mexico and expanded its ongoing Border Crimes Initiative by creating a multi- agency operation in Laredo called the Border Enforcement Security Task Force, or BEST. The success of BEST in Laredo was immediate.

Building upon the successes of the Laredo BEST, we implemented additional BEST operations in El Paso, Rio Grande Valley, Tucson, and San Diego, in each area focusing on the key criminal threats specific to that area.

Since the BEST's inception in July 2005 through September 16, 2007, BEST investigations have resulted in over 559 criminal and 1,120 administrative arrests. In addition, agents have seized over 73,000 pounds of marijuana, 1,708 pounds of cocaine, 137 pounds of methamphetamine, 133 pounds of heroin, 352 weapons, 12 improvised explosive devices, or IEDs, 189 vehicles, 12 real properties and approximately \$9 million in U.S. currency.

Beyond the raw numbers, the BESTs have been successful in attacking a broad range of criminal organizations engaged in a wide variety of criminal activities including drug smuggling, human smuggling, arms trafficking, bulk cash smuggling and money laundering.

Another exceptional example of the value of collaboration is Operation Red Dragon. This operation targeted a narcotics organization that marketed its illegal wares over the Internet, rather than using a more traditional means of smuggling narcotics.

The investigation included participation from ICE agents and agents from the DEA, the Maricopa County (Arizona) Clandestine Laboratory Task Force and law enforcement officials from England, Scotland, Australia, Germany and the United Kingdom.

The targeted Web site, originating in the United Kingdom, offered red phosphorous iodine crystals and other precursor chemicals used in the manufacture of methamphetamine. The organization sold these chemicals to individuals all over the world.

Through online undercover work and extensive intelligence gathering, agents successfully identified and dismantled 122 meth labs throughout the US, as well as 14 in Germany and the UK.

The Central Scotland Police and England's Serious Organized Crime Agency arrested the heads of the criminal organization in Scotland where they are awaiting extradition. Additionally, officers executed 6 search warrants and seized 47 different chemicals, including 1,075 kilograms of red phosphorus and 478 kilograms of iodine crystals used to manufacture methamphetamine.

Ultimately, Operation Red Dragon led to the arrest of over 90 individuals in the United States. And the ingredients we seized during this operation could have been used to manufacture nearly 2 tons of methamphetamine. Operation Red Dragon was a great example of collaboration in fighting the narcotics threat via the Internet. It also sends a strong message to criminal organizations that we will not allow the Internet to be used as a safe haven for their dangerous and illegal activities.

Beyond mere collaboration on cases, what will allow us to make more cases like Red Dragon and Trapped Under ICE is information sharing among law enforcement. I believe enhanced information sharing has the potential to transform law enforcement and

ICE is committed to investing the time and the resources to make this transformation a reality.

Our agents and investigators and your agents and investigators must be able to act quickly and decisively, and they need to be secure in the knowledge that they have access to as much vital information as possible.

We have seen some very encouraging results from a much-needed information sharing pilot program we joined in the Pacific Northwest. Dubbed "Mercury Pilot," this project is a joint venture between ICE and the Law Enforcement Information Exchange, or LINX, unit based in Seattle, which includes several DOJ components and is managed by the Naval Criminal Investigative Service.

Let me give you just a few examples of how sharing the closed case information stored in the LINX system's northwest data warehouse has been beneficial to our investigators in the Seattle area.

Agents were having difficulty linking a phone number to a non-immigrant suspect in a bulk cash smuggling investigation. But by running a license plate number through LINX, our agents learned that the suspect had previously filed a stolen vehicle report. The police report indicated two active cell phone numbers that our agents were able to target so that the bulk cash investigation could continue.

Over the course of a significant ecstasy investigation, we were able to run a phone number through LINX to find additional information we needed to work with the US Attorney's Office and successfully obtain the wire intercept affidavit that enabled the investigation to move forward.

In another case of ecstasy smuggling, the phone records of a smuggler arrested with more than 200,000 tablets of the drug were run through the LINX database and the phone numbers of the smugglers large, regular customers were discovered. Their phone

numbers yielded addresses, and as a result, another individual will be federally prosecuted.

And the list goes on and on. In one investigation after another, agents were able to query only bits and pieces of information, but the power of a collaborative, shared database invariably yielded more information, and in many cases our investigations were only successful because of the connections made via LINX. I know locals and DEA in Seattle feel the same way about this information.

Based on our success in Seattle, and the enthusiasm this has generated throughout ICE, we are launching initiatives throughout Southern California. Working closely with the Department of Justice, we are linking several of our regional SAC offices with an information-sharing solution called COPLINK. This out-of-the-box program is already being used by the Automated Regional Justice Information System, or ARJIS, here in San Diego, and we'll be adding COPLINK's functional capabilities to Los Angeles in January.

We're also working to improve the access to critical information within the BESTs. For example, all of our partners, whether they're federal, state or local, need to have full access within the BEST to information contained in multiple databases. Our systems, going forward, must have this capability, and we must be able to bring all of our law enforcement partners into the same tent.

Just yesterday, as a matter of fact, I was next door in Arizona where ICE is in the process of establishing a cutting edge immigration information clearing house that will allow far greater sharing of information between the many state agencies, state and local law enforcement and all of our federal partners within the BEST unit.

This will be a coordination center for bringing together multiple databases of information pertaining to human smuggling, narcotics trafficking and other immigration collateral crimes, offering up critical information in as close to real-time as possible.

There's no question that one of the most significant advantages we can give our agents in the field is ready access to the most current information available, wherever that information resides.

These programs represent our commitment to do just that, and based on the success stories we've seen in the Pacific Northwest, I'm confident that creating a similar system of information sharing in various areas along the Southern Border, in response to local needs and in coordination with DOJ, will have an immediate, positive impact on our investigative ability throughout this critical part of the country.

To be truly effective in that regard, we must also attack the connection between the criminal activity and the money it produces. As many of you are aware, the smuggling of bulk currency out of the United States has become the preferred method of moving illicit proceeds across our borders.

According to the 2005 National Money-Laundering Threat Assessment, nearly every type of criminal organization involved in cross-border crimes, including narcotics, and human trafficking organizations uses bulk cash smuggling.

In view of that, ICE has worked hard to identify, dismantle and disrupt both existing and emerging money-laundering systems and bulk cash smuggling operations.

Specifically, in August 2005, we launched Operation Firewall, which seeks to identify and eliminate the bulk cash smuggling vulnerabilities that exist within our nation's borders, at various ports of entry, as well as beyond our nation's borders.

Since its inception, Operation Firewall has addressed the threat of bulk cash smuggling via commercial and private passenger vehicles, commercial airline shipments, commercial airline passengers, and pedestrians transiting into Mexico along the southern border and into Canada along the northern border.

Within the United States, Operation Firewall has led to the seizure of more than \$99 million in U.S. currency and negotiable instruments and the arrest of 254 individuals.

Beyond our borders, Operation Firewall training and enforcement activity has accounted for a total of over \$44 million in seized U.S. currency abroad.

Our successes abroad are attributable in large part to our partnerships with Mexican law enforcement agencies. In this regard, ICE and CBP conduct comprehensive Firewall training operations with our law enforcement partners in Mexico and other countries, wherein our agents and officers provide hands-on training on passenger analysis and investigative techniques proven effective in the United States.

Another critical tool in attacking the financial profit for criminal organizations are our Trade Transparency Units. These units, the TTU's, attack trade-based money laundering by mining import and export data to determine anomalies that might indicate criminal activity.

For example, say an export of vanilla beans trades at a certain price per pound. With our computer system, we can exchange data with participating countries and see when a trade is way out of sync. Either you've got a really dumb businessman or some funny business. Currently, ICE has TTUs in Brazil, Argentina, and Paraguay, and I am pleased to say we are in the final stages of developing a TTU with Mexico.

In closing, I want to once again thank Director Walters and everyone at ONDCP for giving me the opportunity to speak at this conference, and to highlight for all of you some of ICE's many achievements in this critical area of law enforcement.

We are committed to the security of the southwest border. We're all in this fight together, and we all work towards the common goal of a safer and more secure life for law-abiding people on both sides of the border. Thank you.