



U.S. Immigration and Customs Enforcement

STATEMENT

OF

JAMES A. DINKINS

**EXECUTIVE ASSOCIATE DIRECTOR
HOMELAND SECURITY INVESTIGATIONS**

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

REGARDING A HEARING ON

**“EXPLORING DRUG GANGS’ EVER EVOLVING TACTICS TO
PENETRATE THE BORDER AND THE FEDERAL GOVERNMENT’S
EFFORTS TO STOP THEM”**

BEFORE THE

**UNITED STATES SENATE
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS**

**AD HOC SUBCOMMITTEE ON
DISASTER RECOVERY AND INTERGOVERNMENTAL AFFAIRS**

**THURSDAY, MARCH 31, 2010 – 10:00 a.m.
342 DIRKSEN SENATE OFFICE BUILDING**

INTRODUCTION

Chairman Pryor, Ranking Member Ensign, and distinguished Members of the Subcommittee:

On behalf of Secretary Napolitano and Assistant Secretary Morton, I would like to thank you for the opportunity to discuss the efforts of U.S. Immigration and Customs Enforcement (ICE) to investigate, disrupt and dismantle criminal cross-border smuggling organizations. ICE has the most expansive investigative authority and largest force of investigators in the Department of Homeland Security (DHS). With more than 7,000 Special Agents assigned to more than 200 cities throughout the United States and 69 offices in 47 countries worldwide, ICE is uniquely positioned to leverage its broad statutory authority to combat border violence and support border enforcement by targeting the illicit pathways and organizations that produce, transport, and distribute illegal contraband.

The illicit drugs, money and weapons that fund and arm criminal organizations operating along the Southwest Border are part of a complex, interconnected system of illicit pathways and transnational criminal organizations that span the globe. ICE targets transnational criminal organizations at every critical phase in the illicit cycle: internationally, where the drugs are produced and the aliens originate; at our nation's physical border and ports of entry (POEs), where the transportation cells attempt to exploit America's legitimate trade, travel, and transportation systems; and in cities throughout the United States, where criminal organizations earn substantial profits off of the smuggling of aliens and illicit goods. Additionally, these criminal organizations manipulate the legitimate banking, financial and commercial trade systems to illegally generate, move and store bulk cash and purchase weapons that can then be smuggled back across the border to Mexico and Central and South America.

As you know, we experienced a terrible tragedy within our agency last month involving two Special Agents assigned to ICE's attaché office in Mexico City. Special Agent Jaime J. Zapata lost his life and Special Agent Victor Avila, Jr., was seriously injured in service of our country. The senseless acts of violence against them serves as painful reminders of the dangers confronted and the sacrifices made every day by our nation's law enforcement officers, and our hearts and prayers continue to go out to the victims and their families. Special Agent Zapata died fighting to protect not only the people of this country, but also the people of Mexico from drug traffickers and organized criminals. He will forever be remembered as a man of courage and honor.

Since the incident, ICE agents have been working diligently, supported by a joint task force between the Department of Homeland Security (DHS) and the Department of Justice (DOJ), in cooperation with our Mexican partners, to track down the perpetrators of this heinous attack. We will continue to assist the ongoing investigation with every resource at our disposal and to ensure that all those responsible for this murder face justice.

Addressing the increasing drug cartel-related violence on the Mexican side of the Southwest Border is vital to the interests of the United States. DHS border security efforts are based on an overarching goal: to ensure a safe, secure border zone that is also hospitable to, and fosters, legal trade and travel. ICE protects America and upholds public safety by identifying and dismantling criminal organizations that exploit our nation's borders in furtherance of their illegal activity.

ICE's efforts are conducted in close coordination with our partners at U.S. Customs and Border Protection (CBP), the Drug Enforcement Administration (DEA), the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Federal Bureau of Investigation (FBI), the U.S. Marshals

Service, and our state, local, foreign and tribal partners. ICE's work also directly supports the Mérida Initiative, which is a Department of State program to establish a strategic framework to guide United States and Mexican cooperation. Our growing partnership with Mexico is critical to our continued success in disrupting criminal activity along the Southwest Border.

Southwest Border Initiative

In March 2009, the Administration launched the Southwest Border Initiative to bring unprecedented focus and intensity to Southwest Border security, coupled with a reinvigorated, smart and effective approach to enforcing immigration laws in the interior of our country. In support of this initiative, ICE has targeted considerable resources at the Southwest Border to interdict contraband, firearms, ammunition, undeclared currency, and stolen vehicles, and detect cross border tunnels, human smuggling activity, transnational criminal organizations and other border crime at and between ports of entry along the Southwest Border. Under this initiative, ICE has doubled the personnel assigned to Border Enforcement Security Task Forces; increased the number of intelligence analysts along the Southwest Border focused on cartel violence; and quintupled deployments of Border Liaison Officers to work with their Mexican counterparts.

In Fiscal Year (FY) 2010, ICE deployed Special Agents to high-risk locations, including Tijuana and Monterey. Additionally, with its \$80 million share of the \$600 million supplemental appropriation passed by Congress in the summer of 2010, ICE is placing more than 250 Special Agents, investigators, and intelligence analysts along the border. Indeed, ICE now has one quarter of its personnel assigned to the Southwest Border – more agents and officers along the border than ever before.

ICE continues to expand the Border Enforcement Security Taskforce (BEST) program, which currently operates in 21 locations, including 11 along the Southwest Border. BESTs bring federal, state, local, territorial, tribal, and foreign law enforcement together to work to increase security along the border. In FY 2010, ICE-led BESTs made 1,616 criminal arrests, 907 administrative arrests, and obtained 868 indictments; 689 defendants were convicted in FY 2010.

In 2009, Secretary Napolitano announced the formation of the first-ever, Mexico-based BEST to facilitate the exchange of law enforcement information and to support the joint investigation of criminal activity that falls within ICE's purview. These crimes include weapons and munitions smuggling, money laundering, human smuggling, human trafficking, customs fraud, and cybercrime violations. The Mexico City BEST includes both Mexican law enforcement officers and prosecutors working collaboratively with ICE and other United States government staff to share information and expertise in joint investigations.

Our efforts to dismantle transnational criminal organizations are producing results. For example, in November 2010, the San Diego Tunnel Task Force, which is part of the San Diego BEST, discovered two tunnels and seized more than 50 tons of marijuana. The first tunnel, discovered on November 2, 2010, was a 600-yard underground cross-border passageway equipped with rail, lighting and ventilation systems. Surveillance operations and collaboration with Mexican law enforcement led to the discovery of this tunnel and resulted in the seizure of 30 tons of marijuana. The second tunnel, discovered on November 26, 2010, was even more sophisticated and included reinforced supports, advanced rail, electrical, and ventilation systems. This tunnel discovery resulted in the arrest of eight individuals and the seizure of more than 20 tons of marijuana. The two discoveries are the result of our collaboration with other agencies

and use of state-of-the-art electronic surveillance technology to investigate cross-border smuggling by criminal organizations.

Another example of the success of our efforts to dismantle transnational criminal organizations is “Operation In Plain Sight,” a targeted operation focused on five transportation companies involved in human smuggling. The bi-national investigation, which included unprecedented cooperation with Mexico’s Secretaria Seguridad Publica (SSP) and marked the most comprehensive human smuggling investigation in ICE history, ultimately implicated high-level members of human smuggling organizations in Phoenix, Tucson, Nogales, and northern Mexico that were serviced by shuttle businesses. Specifically, Operation In Plain Sight resulted in: nearly 50 criminal arrests and more than 40 administrative arrests; seizures of illicit weapons, cash, and vehicles; and the initiation of promising investigations of criminal organizations in Mexico – effectively dismantling an entire criminal enterprise engaged in smuggling through Arizona.

Targeting Transnational Criminal Organizations and Pursuing Money Laundering and Bulk Cash Smuggling Investigations

One of the most effective methods for dismantling transnational criminal organizations is to attack the criminal proceeds that fund their operations. ICE investigations utilize a “supply chain attack” strategy designed to trigger cascading failures within a criminal organization by simultaneously targeting multiple components within the organization.

The combination of successful financial investigations, reporting requirements under the Bank Secrecy Act, and anti-money laundering compliance efforts by financial institutions has strengthened formal financial systems and forced criminal organizations to seek other means to transport illicit funds across our borders.

ICE – as the investigative agency with jurisdiction over all crimes with a nexus to U.S. borders – investigates bulk cash smuggling violations. From FY 2010 to date, ICE made 262 arrests for bulk cash smuggling under 31 USC § 5332. In that same time period, 198 defendants were convicted in federal court for this same offense.

Operation Firewall

ICE's Operation Firewall disrupts the movement and smuggling of bulk cash en route to the border, at the border, and internationally via commercial and private passenger vehicles, commercial airline shipments, airline passengers and pedestrians. Since 2005, we have enhanced Operation Firewall efforts to include surge operations targeting the movement of bulk cash destined for the Southwest Border to be smuggled into Mexico. Since its inception in 2005, Operation Firewall has resulted in more than 5,200 seizures totaling more than \$504 million, and the arrest of 1,020 individuals. These efforts include 319 international seizures totaling more than \$240 million and 218 international arrests.

In addition to our international investigations, domestic Operation Firewall efforts assist us in documenting and gathering intelligence on how organizations involved in bulk cash smuggling operate within the United States. For example, during a routine traffic stop in May 2010, ICE Special Agents operating out of St. Louis, along with the Illinois State Police, seized \$91,550 that was concealed within several natural voids in a vehicle which were later determined to be cocaine proceeds destined for Mexico. Both individuals pled guilty to narcotics-related offenses. One of the individuals was sentenced to 140 months in prison, while the other awaits sentencing.

ICE's National Bulk Cash Smuggling Center

On August 11, 2009, ICE officially launched the National Bulk Cash Smuggling Center (BCSC), a 24/7 investigative support and operations facility co-located with the Law Enforcement Support Center in Williston, Vermont. Since its launch, the BCSC has undertaken a full assessment of the bulk cash smuggling threat and has developed a strategic plan to address the problem.

The BCSC utilizes a systematic approach to identify vulnerabilities and disrupt the flow of illicit bulk cash at the Southwest Border and beyond. By analyzing the movement of bulk cash as a systematic process, ICE develops enforcement operations to defeat the various smuggling methodologies currently employed by trafficking organizations. This approach allows us to more efficiently and effectively utilize our interdiction and investigative resources.

To date, the BCSC has initiated 348 investigations, which have resulted in more than 89 arrests and more than 77 seizures. In July and August 2010, ICE Special Agents working in conjunction with state and local law enforcement officers seized more than 4,000 pounds of narcotics stemming from a BCSC investigation into a criminal organization based in New York City and Philadelphia that was responsible for the movement of bulk cash across the Southwest Border to Mexico. To date, this investigation has resulted in four arrests and the seizure of more than \$3 million in proceeds connected to narcotics. ICE continues to work with its partners in Arizona, Maryland, Texas and New York to identify additional associates of this trafficking organization.

ICE is further cooperating with both foreign and domestic law enforcement partners to disrupt the criminal organizations that are smuggling narcotics into the United States and

smuggling bulk cash shipments out. The expanding relationship between ICE's BCSC and DEA's El Paso Intelligence Center (EPIC) is a key component of these efforts.

Recognizing each entity's distinct, but complementary roles, the BCSC and EPIC are currently coordinating the establishment of the Bulk Cash Smuggling Center Intake & Analysis Section (BCSC I&A) with our law enforcement counterparts at EPIC. The BCSC I&A will function as a single point of contact for state and local law enforcement entities to report bulk currency interdictions and receive immediate real-time analysis and support. In addition, the BCSC will focus its expertise in financial investigations on DHS-driven BCS investigations and initiatives to further strengthen the relationship between the two centers.

Operation Pacific Rim

Operation Pacific Rim is an ICE-led investigation, with the assistance of the DEA and FBI. The operation dismantled one of the most powerful and sophisticated bulk cash and drug trafficking organizations in the world. This transnational DTO was a prolific cocaine source of supply, responsible for nearly half of the cocaine smuggled from Colombia into the United States between 2003 and 2009 – approximately 912 tons with an estimated street value of \$24 billion.

Operation Pacific Rim originally targeted suspicious containerized shipments of fertilizer at Colombian seaports in Buenaventura and Cartagena. In September 2009, ICE Special Agents working closely with the DEA, Colombian National Police, and the SSP, intercepted \$41 million in bundles of shrink-wrapped bulk cash concealed within shipments of fertilizer intercepted at seaports in Colombia and Mexico.

Subsequent to the \$41 million seizure, Special Agents from ICE Attaché offices in Bogota and Mexico City, in coordination with foreign law enforcement, expanded the scope of

the investigation by identifying the bulk cash and drug smuggling routes utilized by the cartel. The investigation eventually covered three continents, resulting in the capture of the top leadership and other high-ranking members of the Pacific Rim Cartel. During the investigation, ICE developed a high-level and strategically positioned source of information who led to the seizure of an additional \$122.8 million in illicit bulk currency, 3.3 tons of cocaine, \$179 million in assets, and \$37 million in criminal forfeiture warrants. ICE's efforts helped lead to multiple arrests and convictions.

Transnational Gangs

Operation Community Shield, an ICE-led anti-gang program, combines ICE's expansive statutory and administrative enforcement authorities with our law enforcement partnerships. Community Shield increases public safety by combating the growth and proliferation of transnational gangs in communities throughout the United States, and ICE conducts targeted enforcement operations using criminal arrest and administrative removal authorities against gang members, thereby disrupting the ability of gangs to operate. In addition, these targeted enforcement operations lead to the development of information critical to the successful prosecution of transnational gang members for conspiracy and racketeering related violations.

Since its inception in 2005, Operation Community Shield has led to the arrest of more than 20,000 gang members and associates, 7,699 of whom had prior violent criminal histories. In addition, 249 gang leaders have been arrested and 1,646 weapons have been seized.

In February 2010, ICE formally established the first international Operation Community Shield Task Force (OCSTF) in Tegucigalpa, Honduras, to work to disrupt criminal gang activity before it reaches our borders. This task force is comprised of ICE Special Agents and Honduras

National Police (HNP) vetted officers and intelligence analysts who work full-time to address the proliferation of transnational gangs.

In May 2010, the OCSTF Honduras conducted a three-day anti-gang suppression operation deemed “Operation Double Impact,” to target both the Mara-13 and Mara-18 gangs in Honduras. The first phase of the operation targeted gang members within the prison system and resulted in the identification and documentation of approximately 30 gang members and the seizure of dozens of knives, narcotics, and other restricted items. The second phase of the operation consisted of simultaneous search warrants and other enforcement efforts at a market known as Comayagua Market. Officers arrested 33 gang members for numerous Honduras criminal violations, and seized six firearms, narcotics, one vehicle, and over 1.8 million counterfeit DVDs and CDs with an estimated street value of more than \$2 million.

In February 2011, ICE completed “Project Southern Tempest,” the largest ever Homeland Security Investigations-led national initiative targeting gangs with ties to Mexican drug trafficking organizations. The ICE National Gang Unit initiated Project Southern Tempest under the auspices of Operation Community Shield to combat the national security and public safety threats posed by transnational street gangs conducting business on behalf of Mexican drug trafficking organizations in the United States. Southern Tempest was executed in 168 U.S. cities side by side with 173 of our federal, state, and local law enforcement partners, and led to the arrest 678 gang members and associates. More than 46 percent of those arrested during this operation were members or associates of gangs with ties to Mexican trafficking organizations. Of those arrested, 447 were charged with criminal offenses and 322 had previous violent criminal histories. Southern Tempest also led to several significant seizures from gang members and associates, including 86 firearms.

Initiatives with the Government of Mexico

In coordination with the Department of State, ICE is expanding its law enforcement training and outreach programs in Mexico and strengthening our efforts to curb illicit activity at the border. ICE coordinates multiple initiatives that involve direct coordination with the Government of Mexico.

ICE is enabling Mexican law enforcement officials to perform their duties more effectively by providing training and technical assistance. We have provided training on numerous topics—including arms trafficking, cyber crimes, basic criminal investigative methods, special investigative techniques, global trafficking in persons, child sex exploitation, information-sharing platform training, ethics, and gang investigations—to SSP officers, among others. We remain committed to our cross-training efforts to build the investigative capacity of Mexican law enforcement entities.

In August 2007, the Mexican Tax Administration Service (SAT), Mexican Customs, CBP, and ICE signed a Bilateral Strategic Plan to fight cross-border crime. This Plan enabled ICE to begin an unprecedented investigative training course for Mexican Customs enforcement personnel, modeled after the ICE Special Agent training, to prepare Mexican Customs officials to assume expanded investigative responsibilities. The training improves bilateral information sharing and investigative efforts to stem the cross-border flow of illegal contraband.

ICE is also sharing critical information with Mexican authorities to assist them in their fight against drug trafficking organizations. On March 23, 2010, Secretary Napolitano signed an agreement with Interior Secretary Gomez-Mont and Secretary of Public Safety General Garcia Luna in Mexico that formalizes DHS's effort to share criminal history information electronically with Mexican law enforcement regarding Mexican nationals who have been convicted of certain

felonies in the United States and who are being repatriated from the United States. We worked closely with DOJ and the FBI to ensure that all parties adhere to regulations on the sharing of this criminal record information.

In May 2008, ICE established a Trade Transparency Unit with Mexico to help identify criminal networks using the trade system to launder illicit proceeds. Through this initiative, ICE and Mexico Customs, under the Mexico Finance Ministry, share trade transaction data — providing critical information that is used to initiate and support international criminal investigations related to money laundering, trade fraud, and other criminal activity.

CONCLUSION

Thank you again for the opportunity to appear before you today and for your continued support of ICE and its law enforcement mission. ICE is committed to stemming cross-border criminal organizations through the various efforts I have discussed today. I appreciate your interest in these important issues.

I would be pleased to answer any questions you may have.