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THREAT CONVERGENCE ALONG THE BORDER: WILL DRUG TRAFFICKING TECHNIQUES PROVIDE SOME ANSWERS?

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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THREAT CONVERGENCE ALONG THE BORDER: WILL DRUG TRAFFICKING TECHNIQUES PROVIDE SOME ANSWERS?

TUESDAY, JUNE 14, 2005

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY,
AND HUMAN RESOURCES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:02 p.m., in room 2203, Rayburn House Office Building, Hon. Mark E. Souder (chairman of the subcommittee) presiding.

Present: Representatives Souder, Gutknecht, and Cummings.

Staff present: Nicholas Coleman, professional staff member and counsel; David Thomasson and Pat DeQuattro, congressional fellows, Malia Holst, clerk; Tony Haywood, minority counsel; Richard Butcher, minority professional staff member; and Teresa Coufal, minority assistant clerk.

Mr. SOUDER. The subcommittee will come to order. Good afternoon, and thank you all for coming. Today we will explore Federal law enforcement's ability to identify, interdict, and apprehend drug smuggling operations along our Nation's borders. This mission requires a comprehensive, unified, multiagency effort, with a clear plan that dismantles the organizations responsible, not just for smuggling drugs but also illegal aliens, terrorists, and weapons into this country. We have fallen short of this objective for many reasons but I would like to address five of them here.

Reason No. 1 involves the organizational decision to split the investigative and inspection functions at the Customs and Border Protection [CBP], and Immigrations Customs Enforcement [ICE]. By splitting the two functions, the Department has limited their capacity to conduct enforcement operations in areas leading up to the border, at the border, and beyond the border. This unhealthy split has been exasperated by an extra layer of bureaucracy over ICE and CBP, namely the Directorate of Border and Transportation Security.

Second, it seems that all Federal agencies engaged in drug enforcement have developed or are in the process of developing their own individual intelligence programs complete with intel centers that serve that agency's needs. While I support intel operations at these agencies, too many centers lead to duplication of effort and stovepiped computer systems that lack the ability to communicate with other existing systems. One example of this type of duplica-

tive efforts can be found at Fort Bliss in El Paso, TX. The Border Patrol Field Intelligence Center [BORFIC], and the DEA-run El Paso Intelligence Center [EPIC], have taken up residence at the same military installation. BORFIC is responsible for providing daily reports to the Border Patrol headquarters and field managers throughout the United States. Additionally, they search for potential terrorist threats along the U.S.-Mexican border. EPIC, on the other hand, concentrates primarily on drug movement, immigration violations, to include all the United States and the Western Hemisphere where drug and alien movements are directed toward the United States. While both focus on similar targets, they have developed separate databases of violators rather than sharing the information and making it available to users from one central database.

Third, we lack a strategic, comprehensive, layered interagency plan to address border security. The DHS Under Secretary for Border and Transportation Security [BTS] is currently evaluating the merits of a border strategy that will involve the opening of yet another operational intelligence center called the Border Interdiction Support Center [BISC]. The BISC concept would supposedly warehouse and disseminate for intelligence derived from the interagency efforts at interdicting people, weapons, and narcotics along the southwest border. But the agencies that would be involved in BISC, like DEA, ICE, and CBP, all seem to have a different idea of what the BISC would do.

The perceived need to create the BISC underscores the Nation's lack of a coherent interagency plan to address border security. On May 12, 2005, the Government Reform Committee held a hearing to examine DHS management of border security. Commissioner Bonner informed the committee that CBP has a strategic Border Patrol plan but failed to disclose the details of a border strategy. The subcommittee has been told that a border plan has been submitted by CBP but is now held up at BTS. We need to do better.

Fourth, DHS has failed to fund the Office of Counternarcotics Enforcement as Congress intended. Currently the funding level for 2006 remains the same as 2005; funds are controlled by the chief of staff, not the director; and the director continues to be employed by the Transportation Security Agency. The office is supposed to coordinate DHS drug interdiction efforts at the land borders, on the seas, and in the air. The law assigns specific responsibilities to the new director including oversight of DHS counterdrug activities and the submission of reports to Congress. Without sufficient funds and independence, however, the office simply cannot carry out these responsibilities.

Finally, poor organizational structure and funding, lack of intelligence coordination, and a cohesive border strategy have not only hurt our ability to stop drug smuggling along the border, but also the smuggling of people, terrorists, and weapons. Our failure to identify and prosecute transportation groups that provide aliens with tools needed to illegally enter our country calls into question our ability to control our Nation's borders. It is my hope that Congress and the Federal law enforcement agencies will work to improve our ability to shut down the smuggling organizations involved in criminal enterprises along the border.

Today we have a panel of very experienced witnesses to help answer these and other questions posed by the subcommittee. From the Office of Counternarcotics Enforcement we have the Director, Admiral Ralph Utley. From the Drug Enforcement Administration we have the Assistant Administrator for Intelligence, Mr. Anthony Placido. From Customs and Border Protection, we have the Director of the Office of Drug Interdiction, Mr. Gregory Passic. And from Immigration and Customs Enforcement [ICE], we have the Deputy Assistant Director of the Office of Investigations, Mr. John Torres. We look forward to your testimony and insight into this important issue.

[The prepared statement of Hon. Mark E. Souder follows:]

Opening Statement
Chairman Mark Souder

"Threat Convergence Along the Border: How Does Drug Trafficking Impact Our Borders?"

Subcommittee on Criminal Justice, Drug Policy And Human Resources
Committee on Government Reform

June 14, 2005

Good afternoon and thank you all for coming. Today we will explore federal law enforcement's ability to identify, interdict, and apprehend drug smuggling operations along our nation's borders. This mission requires a comprehensive, unified, multi-agency effort, with a clear plan that dismantles the organizations responsible not just for smuggling drugs, but also illegal aliens, terrorists, and weapons into this country. We have fallen short of this objective for many reasons, but I would like to address five of them here.

Reason number one involves the organizational decision to split the investigative and inspection functions at Customs and Border Protection (CBP) and Immigration Customs Enforcement (ICE). By splitting the two functions the Department has limited their capability to conduct enforcement operations in areas leading up to the border, at the border, and beyond the border. This unhealthy split has been exasperated by an extra layer of bureaucracy over ICE and CBP, namely the Directorate of Border and Transportation Security.

Second it seems that all federal agencies engaged in drug enforcement have developed, or are in the process of developing, their own individual intelligence programs, complete with intel centers that serve that agency's needs. While I support intel operations at these agencies, too many centers leads to duplication of effort and stovepiped computer systems that lack the ability to communicate with other existing systems.

One example of this type of duplicative efforts can be found at Fort Bliss in El Paso, Texas. The Border Patrol Field Intelligence Center (BORFIC), and the DEA run El Paso Intelligence Center (EPIC), have both taken up residence at the same military installation. BORFIC is responsible for providing daily reports to Border Patrol Headquarters and field managers throughout the U.S. Additionally, they search for potential terrorist threats along the Mexican/U.S. border. EPIC, on the other hand, concentrates primarily on drug movement and immigration violations to include all of the United States and the Western Hemisphere where drug and alien movements are directed toward the United States. While both focus on similar targets, they have developed separate databases of violators rather than sharing the information and making it available to users from one central database.

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Mr. SOUDER. Before proceeding, I want to ask unanimous consent that all Members attending today have 5 legislative days to submit written statements and questions for the hearing record, and any answers to written questions provided by the witnesses also be included in the record. And, without objection, it is so ordered.

I also ask unanimous consent that all exhibits, documents, and other materials referred to by Members may be included in the hearing record, and that all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

Our first and only panel is composed of the four gentlemen that I mentioned. And, as you know, as an oversight committee it is our standard practice to ask all our witnesses to testify under oath. So if you will each stand and raise your right hands.

[Witnesses sworn.]

Mr. SOUDER. Let the record show that each of the witnesses responded in the affirmative.

Thank you very much for coming today for this important hearing as we continue to look for the most effective border strategies that we can have, particularly as we see terrorism, drug trafficking, and human trafficking all start to merge together and will continue to merge even more closely over time.

We will start with you, Admiral Utley.

STATEMENT OF RALPH UTLEY, RADM, USCG Ret., ACTING DIRECTOR, OFFICE OF COUNTERNARCOTICS ENFORCEMENT, DEPARTMENT OF HOMELAND SECURITY

Admiral UTLEY. Good afternoon, Chairman Souder, distinguished members of the panel, my name is Ralph Utley and I am the Acting Director of the Office of Counternarcotics Enforcement for the Department of Homeland Security and Acting U.S. Interdiction Coordinator. It is my privilege to appear before you to discuss drug trafficking and its impact on our borders. And I would ask that my written statement be entered into the record.

The Office of Counternarcotics' goal is to lead a unified departmental effort to prevent and deter illegal drugs from coming into the United States.

Today's hearing on threat convergence along the border: How does drug trafficking impact our borders, is central to this goal. My core mission is to coordinate policy and operations within the Department and between the Department and other Federal departments and agencies with respect to stopping the entry of illegal drugs into the United States.

Before I discuss the borders, I would like to share with you some results of last year's interdiction efforts in the transit zone. In fiscal year 2004, the Department of Homeland Security in cooperation with the interagency removed over 225 metric tons of drugs that were headed to the United States. The U.S. Coast Guard had an exceptionally banner year for fiscal year 2004, seizing over 109 metric tons in the transit zone. Through June 1st of this year, the U.S. Coast Guard has seized over 81 metric tons of cocaine. Much of this interdiction was supported by CBP assets.

Other DHS agencies also set records in interdiction during 2004. U.S. Customs and Border Protection seized over 905 metric tons of marijuana, 26 metric tons of cocaine, and 1.3 metric tons of heroin

bound for the United States. U.S. Immigration and Customs Enforcement [ICE] was involved in the investigative efforts and apprehension of over 712 metric tons of marijuana, 150 metric tons of cocaine, and 1.3 metric tons of heroin, and 1 metric ton of methamphetamines that were headed for the streets of the United States.

The majority of these drugs were destined for the southwest border where they would have consequently entered California, Arizona, New Mexico, and Texas. To combat drug trafficking along U.S. borders, my office is committed to working with our Mexican and Canadian Government copartners. Only with open communication and binational cooperation can this be done. The Department is actively engaged with Mexican law enforcement officials through the Senior Law Enforcement Plenary and the Binational Interdiction Working Group. The Department is also working with Canadian law enforcement officials through the Integrated Border Enforcement Teams. It is through these venues that bilateral ties are strengthened and the United States has a better chance of collectively interdicting drugs.

OCE continues to work with the existing intelligence and operations centers along the border to ensure that adequate counterdrug resources are applied to the problem. In addition, OCE continues to coordinate policy within the Department of Homeland Security to streamline departmental and interagency operations.

In addition to streamlining operations, we must make sure that information is being disseminated vertically up and down within the Department so that policies and intelligence can support operational units in the field. We also need to fuse and exploit all information that we learn across the country so that when a CBP agent in Arizona learns of a new smuggling method, that information is fed to our intelligence analysts, incorporated where appropriate into our strategy to combat smuggling, and disseminated across the Department and interagency to others focused on the same problem.

Our focus must extend beyond the Department itself. We must review and make use of information coming from the intelligence community, and we must play an active role in providing operational feedback to the intelligence community. Sharing information across the Federal Government is critical if we are to succeed. To that end, I am committed to making sure that our law enforcement and intelligence partners across the Federal Government have appropriate access to the Department's information and analysis to the maximum extent possible under law, while at the same time protecting the privacy rights and civil liberties of Americans. By the same token, we must sit as full partners at the table with full access to information from the intelligence community.

Finally, we must inform and communicate with our State, local, tribal, and private sector partners. As information comes in, we need to ensure it is disseminated to the right people in a way that can be used to strengthen their effort and contribute effectively to ours.

Very shortly, I will be providing to the counternarcotics community a national interdiction command and control plan and the interdiction planning guidance. These documents will help organize

U.S. resources that are committed to counter the drug threat along our border. My office is also drafting a department-wide counterdrug policy that will outline the current counterdrug resources of the Department of Homeland Security and will address intelligence-driven operations and initiatives to ensure that maximum results are achieved from all DHS counterdrug effort.

OCE has taken steps to actively engage in the intelligence community; specifically, we have engaged with the National Counterterrorism Center, Joint Terrorism Task Force, El Paso Intelligence Center, National Drug Intelligence Center, Defense Intelligence Agency, and the Central Intelligence Agency's Crime and Narcotics Center. Our goal is to serve as a conduit between DHS and the counterdrug community as we respond to our congressional mandate to track and sever the connection between drugs and terror.

In closing, the ability to stop the flow of drugs into the United States is necessary for national security and public safety. By aggressively enforcing our existing laws and working transparently to better fuse intelligence, we seek to deter drug traffickers and terrorist organizations who threaten our way of life.

I would like to thank Mr. Chairman and members of this committee for this opportunity to appear, and I look forward to answering your questions.

Mr. SOUDER. Thank you very much.

[The prepared statement of Admiral Utley follows:]

STATEMENT

OF

RALPH D. UTLEY (RADM, USCG Ret.)
ACTING DIRECTOR, OFFICE OF COUNTERNARCOTICS ENFORCEMENT
AND
ACTING UNITED STATES INTERDICTION COORDINATOR
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?"

Tuesday, June 14, 2005
2:00 pm
Washington D.C.

INTRODUCTION

Good afternoon, Chairman Souder, Ranking Member Cummings, and distinguished Members of the Committee. My name is Ralph Utley, and I am the Acting Director of the Office of Counternarcotics Enforcement (OCE) for the Department of Homeland Security and Acting United States Interdiction Coordinator. It is my privilege to appear before you to discuss drug trafficking and its impact on our borders. The Office of Counternarcotics mission is to lead a unified Departmental effort to prevent and deter illegal drugs from coming into the United States.

Today's hearing on "Threat Convergence Along the Border: How Does Drug Trafficking Impact our Borders?" is central to the mission of my organization. My core mission is to coordinate policy and operations within the Department and between the Department and other Federal departments and agencies with respect to stopping the entry of illegal drugs into the United States.

Before I discuss the borders, I would like to share with you the results of last year's interdiction efforts in the transit zone. In Fiscal Year (FY) 2004, the Department of Homeland Security in cooperation with the interagency removed over 225 metric tons of drugs prior to the entry of those drugs into the United States. The United States Coast Guard had an exceptionally banner year for FY 2004 seizing over 109 metric tons in the transit zone and through June 1, 2005, the U.S. Coast Guard has seized over 81 metric tons of cocaine. Much of this interdiction was supported by CBP assets.

Other DHS agencies also set record years in interdiction in FY 2004 U.S. Customs and Border Protection (CBP) seized over 905 metric tons of marijuana, 26 metric tons of cocaine and 1.3 metric tons of heroin bound for United States. U.S. Immigration and Customs Enforcement (ICE) was involved in the investigation efforts and apprehension of 712 metric tons of marijuana, 150 metric tons of cocaine, 1.3 metric tons of heroin and 1 metric ton of methamphetamines that were headed to the streets of the United States.

The majority of these drugs come through the Southwest border, California, Arizona, New Mexico, and Texas.

To combat drug trafficking along the Southwest and Northern borders, OCE is committed to working with our Mexican and Canadian government counterparts. Only with open communication can bi-national cooperation be attained. The Department is actively engaged with Mexican law enforcement officials through the Senior Law Enforcement Plenary (SLEP) and the Bilateral Interdiction Working Group (BIWG). The Department is also working with Canadian law enforcement officials through the Integrated Border Enforcement Teams. It is through these venues that bilateral ties are strengthened and the United States has a better chance of collectively interdicting drugs.

OCE will continue to work with the existing intelligence and operations centers along the border and will ensure adequate counterdrug resources are applied to the problem. In addition, OCE will continue to coordinate policy within the Department of Homeland Security to streamline Departmental and interagency operations. We must make sure that information is being disseminated vertically up and down the Department so that policies and intelligence support

operational units in the field. We need to fuse and exploit all the information that we learn across the country so that when a CBP agent in Arizona learns of a new smuggling method, that information is fed up to our intelligence analysts, incorporated where appropriate into our strategy to combat smuggling, and disseminated across the Department and interagency to others focused on the same problem.

Our focus must extend beyond the Department itself. We must review and make use of information coming from the intelligence community, and we must play an active role in providing operational feedback back to the intelligence community. Sharing information across the Federal Government is critical if we are to succeed. To that end, I am committed to making sure that our law enforcement and intelligence partners across the Federal Government have appropriate access to the Department's information and analysis, to the maximum extent possible under the law, while protecting the privacy rights and civil liberties of Americans. By the same token, we must sit as full partners at the table with full access to information from the intelligence community.

Finally, we must inform and communicate with our state, local, tribal and private-sector partners. As information comes in, we need to ensure it is disseminated to the right people in a way that they can use it to strengthen their efforts and contribute effectively to ours.

Very shortly, I will be providing to the counterdrug community the National Interdiction Command and Control Plan (NICCP) and Interdiction Planning Guidance (IPG). These documents will optimize the U.S. resources that are committed to countering the drug threat along our borders.

OCE is also drafting a Department-wide counterdrug policy. This policy will outline current counterdrug resources of the Department of Homeland Security and will address intelligence-driven operations and initiatives to ensure that maximum results are achieved from all DHS counterdrug efforts. This policy will also address land border, maritime and airborne enforcement as well as international and training issues which are aligned with the National Drug Control Strategy.

OCE has taken steps to be actively engaged in the intelligence community, specifically the National Counterterrorism Center, Joint Terrorism Task Force, El Paso Intelligence Center, National Drug Intelligence Center, Defense Intelligence Agency and the Central Intelligence Agency's Crime and Narcotics Center. Our goal is to serve as a conduit between DHS and the counterdrug community as we respond to our congressional mandate to track and sever the connection between drugs and terror.

In closing, the ability to stop the flow of drugs into the United States is a necessity for national security and public safety. By aggressively enforcing our existing laws and working transparently to better fuse intelligence, we seek to deter drug traffickers and terrorist organizations who threaten our way of life.

I would like to thank you Chairman Souder and Members of the Subcommittee for this opportunity to speak to you, and I look forward to answering your questions.

Mr. SOUDER. Mr. Placido.

STATEMENT OF ANTHONY PLACIDO, ASSISTANT ADMINISTRATOR FOR INTELLIGENCE, DRUG ENFORCEMENT AGENCY

Mr. PLACIDO. Chairman Souder, members of the subcommittee, thank you very much for this invitation to testify today. On behalf of DEA Administrator Karen P. Tandy, I thank you for your continued support of the men and women of the Drug Enforcement Administration.

As the former Regional Director for DEA's Mexico Central American Division, Special Agent in Charge of the New York Field Division which borders on Canada, and a 25-year veteran of the agency, I am acutely aware of the challenges at our borders. Securing our borders requires extraordinary coordination among and between American law enforcement and intelligence organizations as well as robust cooperation with our foreign counterparts.

With that, let me begin with a few words about DEA's foreign program and our worldwide drug flow prevention strategy. The DEA, in conjunction with other U.S. agencies, has launched an innovative multiagency strategy to significantly disrupt the flow of drugs and chemicals before they reach our borders. The plan is to attack the key vulnerabilities and supply, communications, and transportation systems of these drug trafficking organizations by executing sustained, sequential operations based on predictive intelligence. We have already deployed our foreign area support or FAS teams to Afghanistan, and hope to go forward with at least one prototype operation in Latin America by August 2005. Our goal is to build on the successful model we have established in the interagency Operation Panama Express.

While DEA attempts to use its extensive foreign presence and operational capabilities to provide defense in depth to disrupt the flow of drugs before they reach our borders, we also recognize that the southwest border is the primary arrival zone for the vast majority of illicit drugs that are smuggled into the United States. DEA is committed to working cooperatively with the Department of Homeland Security which has primary jurisdiction for border security.

Combining DEA's extensive foreign capabilities with DHS's efforts at the border is essential to enhancing the Nation's border security. The strategic partnership between DEA and DHS is particularly important in our efforts to control the southwest border with Mexico.

During President Fox's administration, DEA participated in numerous successful bilateral law enforcement operations with Mexico. Notable drug kingpins such as Benjamin Ariano Felix, Osiel Cardenas, Armando Valencia, Miguel Cartanterro, Alcid Ramon Mogania, and Alpino Contero Moras have been arrested as a result of these joint efforts. These operations and others show real promise. Unfortunately, they have not been mounted on a scale that is commensurate with the magnitude of the problems we face from Mexico.

The single largest impediment to enhancing our progress against drug trafficking from Mexico is corruption. DEA has highly produc-

tive, longstanding relationships with Government of Mexico counterparts. Unfortunately, officials of unquestionable integrity and remarkable courage must too frequently contend with a system that is fraught with bureaucratic inefficiency and corruption. This makes it extremely difficult and sometimes very dangerous for our counterparts to do their jobs. These factors and the geographic proximity to the United States will continue to make Mexico an attractive staging area for drug smuggling and transnational crime.

The Government of Mexico and DEA have scored a series of major blows against drug cartels. Unfortunately, all of the major Mexico-based drug trafficking organizations continue to operate at some level. Some have become even more dangerous as the pressure has ignited turf wars along the southwest border. Drug-related violence in Mexico has expanded beyond intergang warfare to include slayings of politicians, journalists, prison employees, and police. This activity further undermines confidence in the Government of Mexico and has the potential to spill over onto the U.S. border. Intelligence sharing and cooperation are vital to combating transnational crimes, and these efforts must begin at home.

The El Paso Intelligence Center [EPIC], founded in 1974 is an interagency organization and it is the oldest and most important intelligence-sharing initiative. EPIC is a national center that is specifically focused on the southwest border. I recently met with Mr. Passic from the Bureau of Customs and Border Protection and DEA officials from the southwest border, the Caribbean, and Mexico. The unanimous consensus of this group was that EPIC is an important tool and that it can and must do more to promote enhanced border security.

EPIC is uniquely positioned to provide consolidated interagency intelligence support required to protect our borders. Working with our interagency partners at EPIC, I believe we can bring a new era of cooperation into reality. The result will be significant enhancements in the ability of all agencies to use intelligence to inform and drive operations and investigations and, most importantly, to protect the Nation from the scourge of transnational crime.

Mr. Chairman, at this point I ask that my full written statement be entered into the record, and I will be glad to answer your questions.

Mr. SOUDER. Thank you very much for your testimony.

[The prepared statement of Mr. Placido follows:]

Remarks by

Anthony P. Placido

Assistant Administrator for Intelligence (Acting)
Drug Enforcement Administration
United States Department of Justice

Before the

House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy & Human Resources

Regarding

"Threat Convergence Along the Border: How Does Drug Trafficking Impact our Borders?"

June 14, 2005
2:00 p.m.
2203 House Rayburn Office Building

Statement of the

Drug Enforcement Administration

Before the

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?"

Introduction

Chairman Souder, Ranking Member Cummings and Members of the Subcommittee, thank you for the invitation to testify today to discuss the impact of drug trafficking on our borders. My name is Anthony Placido and I am the Acting Assistant Administrator for Intelligence for the Drug Enforcement Administration (DEA). On behalf of DEA Administrator Karen P. Tandy, thank you for your continued support of the men and women of the DEA and our mission.

As the former Regional Director for the DEA's Mexico-Central America Division and a 25-year veteran of the agency, I am acutely aware of the challenges at our borders. Addressing a threat of the magnitude our Nation faces along our international borders requires an extraordinary level of coordination and cooperation among and between American law enforcement and intelligence organizations and our foreign counterparts. While there has been enormous progress in certain areas, much more needs to be done to secure our borders and protect the Nation from the scourge of transnational crime.

The Scope of Drug Trafficking on the Southwest Border

The Southwest Border (SWB) is the primary arrival zone for the majority of illicit drugs smuggled into the United States as well as the principal area for the subsequent consolidation and distribution of these drugs throughout the United States. According to El Paso Intelligence Center (EPIC) drug seizure data, most of the cocaine and marijuana, as well as much of the heroin and methamphetamine available in the United States is smuggled into the country across the Southwest border (SWB). In fact, 2004 data from EPIC show that the amount of drugs seized at or between land ports of entry (POE) along the SWB is far greater than the amount seized at other U.S. arrival zones, including the Northern Border with Canada.

The border between Mexico and the United States consists of approximately 2,000 miles of mostly open border. The vastness of this region, inhabited by over 50 million residents, and the huge volume of persons and goods that cross the border to facilitate legitimate international commerce, converge to make law enforcement in this region a daunting task. In a post September 11, 2001 world, it is critical that we do not fail in this collective security mission, yet closing our borders is not a viable option. In attempting to strike the proper balance, law enforcement organizations must have better intelligence to inform and drive their efforts, and there must be extensive coordination and cooperation at the inter-agency and international levels.

The SWB is used extensively by Mexico based drug trafficking organizations to smuggle drugs into the United States. Drug trafficking organizations capitalize on geography and the high volume of legitimate cross border traffic between Mexico and the United States to provide cover for their illegal smuggling operations. Millions of private and commercial vehicles as well as pedestrians cross the land POEs between the two countries each day. According to Customs and Border Protection (CPB) statistics, over 48 million pedestrians, 90 million private vehicles, and 4.4 million trucks entered the United States through the 25 land POEs in 2004.

Tunnels are also used by Mexican drug trafficking organizations to smuggle drugs across the SWB. To date, 30 tunnels have been discovered along the SWB: 19 in Arizona (17 in Nogales), and 11 in California. We expect that the SWB will continue to be the main transit route for the major drugs of abuse entering the United States for the foreseeable future.

Cocaine: Mexico continues to be the primary transit route for cocaine destined for the United States. According to the Interagency Assessment of Cocaine Movement (IACM) reporting, the volume of cocaine transiting the Mexico-Central America Corridor to the United States rose to 92 percent during 2004. This is a significant increase from the 77 percent estimated flow of cocaine projected to have moved through this corridor in 2003 and continues to reflect a five year trend of increased cocaine movement through Mexico to the U.S. market. Maritime vessels, primarily go-fast boats and fishing vessels are the primary conveyances used to move cocaine from South America into Mexico. In 2004, the Government of Mexico (GOM) reported seizing 25 metric ton of cocaine which was five metric tons higher than the previous year. An additional 22.4 metric tons of cocaine was seized entering the U.S. SWB in 2004, primarily in South Texas.

Heroin: Despite Mexico's relatively small percentage of global opium production (less than five percent), it is currently the second largest supplier of heroin to the U.S. market. Most of the heroin produced in Mexico is smuggled across the SWB. In 2004, the potential production of pure heroin in Mexico was estimated to be 9 metric tons (approximately 23 metric tons of black tar heroin). Mexican black-tar and brown-powder heroin continues to dominate the market west of the Mississippi River and is increasingly making inroads into the Midwest.

Marijuana: Mexico is also the largest foreign supplier of marijuana available in the United States. In 2004, Mexico had an estimated production capacity of 5,800 hectares of cannabis. This represents a potential of 10,400 metric tons of marijuana for the U.S. and Mexican markets, which is above the average of 8,500 metric tons produced over the previous five years, but below last year's high of 13, 500 metric tons. Eradication of cannabis by the GOM continued at robust rates in 2004. The relative low-cost, easy processing, and high profits associated with marijuana ensure its place as a staple source of revenue for Mexican drug trafficking organizations. In 2004, 1,089 metric tons of marijuana was seized along the SWB. Arizona accounted for the majority of seizures at 368.7 metric tons, followed closely by South Texas with 368.6 metric tons.

Methamphetamine: Perhaps the greatest emerging drug threat from Mexico is the production of methamphetamine for sale and use in the United States. Seizures of methamphetamine along the SWB have increased 74 percent since 2001 when 1,172 kilograms of methamphetamine was confiscated. In 2004, a record 1,639 kilograms of methamphetamine was seized along the SWB, including approximately 1,018 kilograms of methamphetamine in Arizona. Of particular concern, Mexican drug trafficking organizations have been establishing methamphetamine laboratories closer to the U.S. border (in conjunction with their traditional manufacturing locations in central Mexico) to better reach markets in the U.S. as well as the growing user population within Mexico.

Drug Trafficking Organizations: The SWB serves as the entry point for a national distribution network for drugs destined for all regions of the country. The cities of Albuquerque, Brownsville, Dallas, El Paso, Houston, Laredo, Los Angeles, McAllen, Oklahoma City, Phoenix, Tulsa, San Antonio, San Diego and Tucson function as primary staging locations used by Mexican drug trafficking organizations. Mexican drug trafficking organizations use familial ties and long standing relationships to maintain control over transportation and distribution groups along the SWB. Mexican drug trafficking organizations are the dominant transporters and distributors of illicit drugs from the SWB. This function has allowed them to become the dominant drug distributors throughout the United States. Mexican drug trafficking organizations have established relationships with a variety of criminal groups including Colombians, Dominicans, Jamaicans, as well as street gangs, prison gangs, and outlaw motorcycle gangs, who conduct most of the retail and street-level distribution throughout the country.

Mexican drug trafficking organizations pose the greatest drug trafficking threat not only along the SWB but also to the entire United States. Fifteen of the 42 organizations on the FY 2005 Consolidated Priority Organization Targets (CPOT) list (35 percent) are based in Mexico and Central America. As of the end of the second quarter of FY 2005, DEA had 372 active Priority Target investigations linked to these 15 CPOTs, of which 20 were foreign Priority Target investigations.

Currently, the most powerful drug trafficking organizations in Mexico are led by Ignacio Coronel-Villarreal, Joaquin Guzman-Loera, Arturo Beltran-Leyva, Juan Jose Esparragosa-Moreno and Ismael Zamada-Garcia. These leaders comprise the "Federation," an organized crime syndicate founded upon long-standing relationships

between Mexico's major drug kingpins. Although the Arellano-Felix organization and the Gulf Cartel have been weakened under the Fox Administration, they continue to control the strategic border states of Baja California Norte and Tamaulipas. Capitalizing on disruptions to the Arellano-Felix and Gulf Cartels, the Federation is conducting a violent campaign of elimination against them to gain control of these important transit corridors.

The Scope of Drug Trafficking on the Northern Border

The border between Canada and the United States comprises almost 4,000 miles (excluding Alaska). Drugs are smuggled across the border by use of All-Terrain Vehicles, tractor trailers, privately-owned vehicles, backpackers, snowmobiles, canoes, and boats.

During my recent assignment as Special Agent in Charge of DEA's New York Field Division, I had the opportunity to tour the northern border and meet with U.S. and Canadian officials regarding transnational drug trafficking and money laundering. The northern border is fraught with its own challenges, including semi-autonomous Indian reservations that straddle the international border and rely largely upon tribal authorities to regulate the international movement of people and goods. Moreover, the substantially larger northern border has fewer law enforcement resources to deal with a growing drug threat.

Marijuana: Although Canada is not a primary marijuana source for the United States, exportation of marijuana to the United States is a flourishing business. In the United States, Canada-produced marijuana represents approximately two (2) percent of all border marijuana seizures. Canadian cultivation estimates range between 800 and 2,000 metric tons, with the majority of the product designated for U.S. markets. In the recent past, cross-border shipments of Canadian marijuana was limited to relatively small amounts ranging from 50 to 200 pounds; however, subsequent to alliances between Canadian groups and Asian Organized Crime, law enforcement has seen a significant increase in the movement of tractor-trailer borne, ton quantity shipments. While the amount of Canadian marijuana available for import into and actually being smuggled into the United States is significantly less than that of Mexican-cultivated marijuana, the THC content of Canadian marijuana can be twice to three times that of its southern competition.

Heroin: Southeast Asian, Southwest Asian, and other Middle Eastern criminal organizations, which maintain connections to heroin source countries, continue to be largely responsible for heroin importation and heroin trafficking activities within Canada. Vancouver, Toronto, and Montreal remain the prominent centers for heroin trafficking and abuse. Analysis indicates that traffickers of Southeast Asian (SEA) heroin have shifted from sending the product directly to New York, the traditional center of SEA trafficking in the country, to also smuggling the heroin into the United States via Canada.

Ecstasy: 3.4-Methylenedioxymethamphetamine (MDMA or Ecstasy) historically arrived in Canada from Europe via courier aboard commercial aircraft. In recent years, however, increasing numbers of clandestine MDMA laboratories have been located in major population areas to include Toronto, Vancouver, and Montreal. Asian groups (ethnic Chinese and Vietnamese) and Outlaw Motorcycle Gangs (OMGs), as well as independent operators, have been associated with this trafficking activity.

Europe-produced MDMA continues to be transported through Canada en route to the United States. Asian, Israeli, and to a lesser extent, Russian criminal groups transport MDMA from Europe to Canada via couriers on commercial flights, although large quantities are commonly transported via air cargo. MDMA is also smuggled across the border by commercial vehicles, mail and courier services, and vessels. The amount of MDMA seized at or transiting Canadian ports of entry increased from 1.8 million tablets in 2002 to over 2.1 million tablets in 2004.

Methamphetamine: New regulations within Canada's Health Act took effect in January 2003, governing the sale of pseudoephedrine and ephedrine for export. These regulations require that companies involved in the sale of precursors to be registered and provide background information on persons responsible for this activity. Subsequent to the implementation of these regulations and the successes of U.S./Canadian law enforcement efforts, U.S. law enforcement authorities have reported a large decrease in Canadian pseudoephedrine seizures and availability. Organized crime groups, however, continue to be involved in diverting chemicals both within Canada and from Canada to the United States.

Mexico - Law Enforcement Cooperation

During the Administration of Mexican President Vicente Fox, DEA and Mexican officials have improved cooperation in law enforcement matters. Anti-corruption initiatives and institutional reforms have increased our ability to share information and conduct joint investigations. Moreover, Mexico has steadily eradicated record amounts of cannabis and opium poppy as well as seized record amounts of drugs. Mexican authorities have acted to varying degrees against all of the major cartels in Mexico. Mexican authorities have arrested some of the largest drug traffickers in the country, including Benjamin Arellano-Felix the leader of the Tijuana Cartel and Osiel Cardenas-Guillen the leader of the Gulf Cartel. Sensitive Investigative Units (SIUs), specialized investigative teams that undergo a full vetted process, continue to serve as effective mechanisms for sharing sensitive intelligence without compromise.

In addition, extraditions from Mexico to the United States increased in 2004, with the GOM extraditing a record 34 fugitives to the United States. Of particular importance to the DEA was the January 29, 2005, GOM extradition of fugitive Agustin Vasquez-Mendoza to the U.S. to stand trial for his role in the 1994 murder of DEA Special Agent Richard Fass. Also, Mexico used its authority to expel or deport 135 fugitives who were in Mexico illegally.

There have been several joint U.S. - Mexico law enforcement operations where the DEA has cooperated with our counterparts within the Mexican Government that I would like to highlight.

Operation United Eagles: In August 2003, DEA, the U.S. Marshal Service, and the GOM initiated Operation United Eagles, a fugitive apprehension effort to apprehend CPOTs operating or living in Mexico. A fugitive apprehension team was created and currently consists of 50 members of the Mexican Federal Investigative Agency (AFI) trained by DEA, US Marshals, and the FBI. Initially, this initiative facilitated the exchange of information and cooperation between law enforcement in Mexico and the U.S. in an effort to identify and apprehending key leaders of the Arellano-Felix Organization. As of December 31, 2004, Operation United Eagles has resulted in the arrest of 19 members of the AFO, including five "Tier I" members: Efran Perez, Jorge Aureliano-Felix, Gilberto Higuera-Guerrero, Giberto Camacho Valle, and Marco Antonio Simental-Garcia.

Operations Cold Remedy and Aztec Flu: Relations between Mexican authorities and DEA are very good in terms of precursor chemical control. To date, under the auspices of Operation Cold Remedy and Aztec Flu, Mexico's Organized Crime Prosecutor's Office, Hong Kong law enforcement authorities, and DEA have seized nine shipments, totaling 67.26 million pseudoephedrine tablets between September 2003 and December 2004. Pseudoephedrine is one of the primary essential chemicals use in the manufacturing of methamphetamine. The last seizures were a shipment of 35 million tablets seized in Los Angeles and a shipment of 400,000 tablets seized in Mexico in November 2004. Seven of these nine shipments were controlled delivery attempts, accounting for 29.86 million tablets, which could have produced over one metric tons of pseudoephedrine (60 percent yield from 60mg tablets).

Operation Money Clip: On October 19, 2004, Operation Money Clip, a year long multi-jurisdictional Organized Crime Drug Enforcement Task Force (OCDETF) investigation coordinated by the DEA Special Operations Division, resulted in the dismantling of a Mexican-based money laundering and poly-drug trafficking organization. As of December 31, 2004, Operation Money Clip has resulted in 90 arrests and seizures of $5.2 million in U.S. currency, 2.5 metric tons of cocaine, 33 kilograms of crystal methamphetamine, 18.2 metric tons of marijuana, and one kilogram of heroin. Since 2002, the target organization laundered as much as $200 million in drug proceeds and was responsible for the monthly distribution of the U.S. market of approximately 1,100 pounds of cocaine, 200 pounds of methamphetamine, 44 pounds of heroin, and 10,000 pounds of marijuana per month since 2002.

U.S.-Southwest Border Initiatives: In addition to these completed operations, the DEA, in cooperation with its Southwest Border partners and the Mexican government, has been developing additional initiatives to combat the substantial threat posed by Mexican based poly-drug trafficking organizations as well as their Colombia based associates who use Mexico as a staging area for drugs destined for the United States. These initiatives seek to disrupt and dismantle these organizations through the combining of resources and the

sharing of intelligence from federal, state and local law enforcement agencies, as well as, Mexican law enforcement counterparts via DEA Mexico City Central America offices.

Long term, multi-jurisdictional initiatives are required to truly impact these poly-drug organizations. These initiatives include: the Bulk Currency Initiative, the Trap Vehicle Initiative, the Tunnel Initiative, Marine Task Force Initiative and the Clan Lab Initiative. Developed leads are disseminated throughout the U.S. and Mexico to insure a top to bottom enforcement approach in attacking the command and control centers of major trafficking organizations.

Despite concerted efforts by the GOM to crack down on drug production and trafficking, problems persist. Powerful Mexican drug traffickers continue to operate and Mexico continues to be the primary transit country for cocaine and a major producer of heroin, methamphetamine, and marijuana destined for U.S. markets. Given the magnitude of drug production and flow through Mexico, and the enormous power of the major drug kingpins, significantly more progress is needed to impact the problem. The GOM continues face challenges in making tangible accomplishments against the major drug cartels, stemming the flow of drug through the country, reducing public corruption, ensuring public security, and strengthening the rule of law.

The single largest impediment to seriously impacting the drug trafficking problem in Mexico is corruption. DEA has highly productive, long-standing relationships with a number of key GOM counterparts. The individual courage, personal integrity and dedication of many of these individuals are truly remarkable. Unfortunately, on a national level, officials of this caliber are the exception. They exist in a system that is fraught with organizational inefficiency and corruption. In actuality, law enforcement in Mexico is all too often part of the problem rather than part of the solution. This is particularly true at the municipal and state levels of government. The success of the vetted units in Mexico has been noteworthy but much more needs to be done to address a threat of the magnitude we face in that country. Mexican law enforcement also suffers from poor training, high turn-over, and a lack of resources. These problems and Mexico's unique geographic location virtually assure that the country will continue to be the primary location used to facilitate the flow of drugs destined for the United States.

The GOM has scored a series of blows against the major cartels, especially the Arellano-Felix Organization; however, other drug trafficking organizations, most notably the Federation, continue to operate and some appear to be gaining strength.

Furthermore, actions by the GOM against the Gulf and Tijuana Cartels have ignited turf-wars in nearly every major drug trafficking plaza along the SWB resulting in scores of deaths that the GOM seems incapable or unwilling to subdue. The magnitude of this violence along the SWB is reflected in the U.S. Department of State's two Public Announcements issued this year warning U.S. citizens entering Mexico of continued high levels of violence. The worst violence has been centered in the border city of Nuevo Laredo, Tamaulipas, where more than 30 U.S. citizens and scores of Mexican citizens have been kidnapped or killed over the past eight months.

The Mexican corrections systems faces problems. Mexico has been unable to recapture CPOT Joaquin Guzman-Loera, a major trafficker who escaped from prison in 2001, demonstrates the continuing power of the major drug trafficking organizations and the weakness of the corrections system in Mexico. Another example occurred just a month ago, on May 13, 2005, when another CPOT—Otto Herrera-Garcia—escaped from prison in Mexico. Many of the major traffickers incarcerated in Mexican prisons continue to operate their drug trafficking organizations from prison with the assistance of corrupt officials. Moreover, over the last year, there have been multiple targeted assassinations of rival drug traffickers even in the most secure of Mexican prisons. The Mexican Government has tried to address this problem by sending in the military but this is temporary solution and additional prison capacity and the training of qualified personnel within the Mexican corrections system are sorely needed to incarcerate and secure convicted traffickers.

As mentioned previously, Mexico extradited a record 34 fugitives to the United States in 2004, up from 31 in 2003 and according to the State Department deported or exprelled many more to the United States to face trial. Despite this increased number, and substantial cooperation from the Government of Mexico in returning fugitives to the United States, no major drug kingpin of Mexican citizenship has ever been extradited from Mexico to the United States. (Major drug kingpin Juan Garcia-Abrego was extradited to the U.S. in 1995, but he held dual U.S.-Mexican citizenship enabled that unprecedented legal proceeding.) The ability of cartel leaders to avoid or delay extradition protects them from the actions major kingpins fear most: facing justice in U.S. courts of law and serving long sentences in U.S. prisons.

According to the U.S. Department of State, Mexico exercises its discretion under the 1978 U.S. Mexico Extradition Treaty to deny extradition in cases where the death penalty is an applicable punishment unless the United States assures Mexico that the death penalty will not be sought or imposed. Further, Mexico is unable to extradite fugitives that face life imprisonment without the possibility of parole pursuant to a 2001 decision of the Mexican Supreme Court holding that do so would be unconstitutional. The Government of Mexico has worked extensively to limit the negative impact of this and other problematic Mexican judicial decisions. Mexican defense lawyers frequently submit amparos (similar to writs of Habeas Corpus in our legal system) on behalf of their clients which can result in lengthy delays in extradition cases, and on occasion, the rejections of the extradition requests. Modification and streamlining of the amparo process would increase the likelihood of the extradition of cartel leaders to the United States. Finally, many major narco-traffickers who are subjects of pending extradition requests are facing the possibility of long prison sentences in Mexico. The United States has requested that Mexico consider the possibility of temporary surrendering these individuals, so that they may face trial in the United States prior to the commencement of their sentences in Mexico.

Finally, traditional investigative tools that law enforcement agencies such as DEA depend upon to develop cases in the United States have not been approved for use in Mexico. For example, undercover operations in Mexico are complicated and difficult, as approval from the Mexican Attorney General is necessary before any operation can be

implemented. Moreover, DEA continues to work with the GOM on telephone intercept capabilities; however, significant obstacles are still encountered in the jurisdictional process and technical intercept capabilities. The GOM still has not established a routine and reliable process to seek and obtain court authorization for wire intercepts. Furthermore, controlled deliveries are not permitted by Mexican law and would take an act of Mexican Congress to change.

Canada - Law Enforcement Cooperation

Bilateral cooperation between Canada and the United States on counter-narcotics matters continues to be exceptional. The two countries collaborate closely at both the federal, state or province, and local levels, and this also extends into the multilateral arena. In May 2003, the Government of Canada announced the renewal of its Drug Strategy and a commitment to invest $245 million in additional funding over five years. The Canadian Drug Strategy (CDS) shows that Canada is committed to dealing with the root causes of substance abuse and is focusing on prevention, education, treatment and increased enforcement responses for those who are involved in the production and trafficking of illegal drugs.

The United States-Canada Cross Border Crime Forum is the principal bilateral cooperative initiative between the two countries and serves to enhance and expand intelligence sharing, investigative collaboration, and joint training opportunities. At the October of 2004 Forum, the two governments announced the establishment of four new intelligence exchange sites to support the International Border Enforcement Team (IBET) program. The IBETs allow for the timely and accurate sharing of intelligence between Canadian and U.S. law enforcement agencies; protects both countries from the potential terrorist threats; and impedes the smuggling of drugs and other illicit substances between the two countries. The IBETs, with agency participation from the Customs and Border Patrol, Immigration and Customs Enforcement, U.S. Coast Guard, DOJ, DEA and FBI, and the RCMP, consist of 15 regional offices that have been strategically located along the border between the two countries to ensure that the Canada-U.S. border remains open to legitimate trade and travel, but closed to drug traffickers, terrorists, and other criminal elements.

In addition both countries released an updated "Border Drug Threat Assessment" in 2004. This document was produced to enhance the understanding of the flow drugs and precursor chemicals between the two countries. This study highlighted the emerging concern of MDMA production in Canada as well as emphasized Canada's recent regulatory controls on the import and export of precursor chemicals. These regulations have had a positive impact in reducing the cross-border trafficking of chemicals used in the production of synthetic drugs in the United States such as methamphetamine.

There is perhaps no greater example of cooperation between Canadian and U.S. law enforcement authorities than Operation Candy Box. This operation represented the largest Canadian and U.S. enforcement action ever taken against MDMA drug traffickers. This two year investigation resulted in the dismantling of a drug trafficking organization operating in both countries that was responsible for the production of MDMA and marijuana in Canada, the distribution of these drugs in the United States, and the

laundering of illicit funds. During the course of this investigation, law enforcement authorities identified the increased importation of MDMA powder, rather than tablets, into Canada from Holland. Tableting operations were then conducted in Canada for subsequent U.S. distribution. Several significant seizures of MDMA powder were conducted and tableting operations were subsequently dismantled. During this two year initiative, numerous arrests and seizures took place throughout the course of the investigation. Operation Candy Box resulted in 212 arrests and the seizure of $8,995,811 in U.S. currency, 1,546 pounds of MDMA powder, 409,300 MDMA tablets, 1,976 pounds of marijuana, 6.5 pounds of methamphetamine, jewelry valued at $174,000, 38 vehicles, and numerous weapons.

Intelligence Sharing Overview

Intelligence sharing and cooperation between relevant agencies is the key to combating transnational organized crime. DEA leads and participates in such sharing through a variety of mechanisms. One of DEA's oldest and most important intelligence sharing initiatives that focuses on the SWB is the El Paso Intelligence Center, or EPIC.

El Paso Intelligence Center: More than 30 years ago, EPIC was formed as a joint endeavor between DEA and the former Immigration and Naturalization Service, with the former U.S. Customs Service soon joining in the effort. The following agencies are currently represented at EPIC: DEA, Immigration and Customs Enforcement (ICE), U.S. Coast Guard, FBI, U.S. Marshals Service, ATF, the Internal Revenue Service, the Federal Aviation Administration, U.S. Secret Service, the Department of State, the Department of Defense, the Central Intelligence Agency, the Department of Interior, Texas Department of Public Safety, Texas National Guard, and the National Security Agency.

EPIC has strong relationships for information sharing and coordination with a number of other Federal, state and local agencies, including representation from all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands. These long-standing relationships – and the trust and understanding that have developed as a result – are the cornerstone of EPIC's success and continued viability as an information sharing and coordination center.

With the added threat from terrorist organizations, EPIC's original transnational crimes mission of drugs, aliens, and weapons is even more critical to maintaining our national security. EPIC continues to move forward to capitalize on its past successes and current capabilities and to provide leadership in the area of interagency coordination, cooperation and information sharing.

The motivation for seeking that cooperation is based on the belief that a more comprehensive understanding of the threats along the Southwest border can best be achieved by combining the information that is available from DEA offices in Mexico and South America together with information that CBP and ICE collect along the Southwest border. To assure that EPIC is positioned to provide the most effective and timely support to the national and homeland security and law enforcement efforts of its member and partner agencies, EPIC continues to seek the commitment of member and partner agencies to enhance their analytical participation at EPIC.

Even as this greater participation is being sought, cooperative efforts among Southwest border intelligence centers are already underway. For example, EPIC, the Joint Task Force-North (JTF-N), and Border Field Intelligence Center (BORFIC) have joined together in the Tri Centers Collection Management Tiger Team and are developing a Collections Requirement Management System (CRMS) to coordinate and manage intelligence requirements. In response to the needs of its customers, an anticipated increased requirement from the intelligence and homeland security communities, and a recommendation developed by the Justice Intelligence Coordinating Committee (JICC), this CRMS will begin to take advantage of DEA's capabilities overseas with the information that can be collected by DHS entities along the Southwest border.

Another cooperative endeavor among EPIC, BORFIC, and JTF-N also includes the U. S. Customs and Border Protection's Air and Maritime Operations Center (AMOC) and JIATF-S. They recently met June 7-9 in Dallas to determine how to develop a common operating picture using the individual agencies' Satellite Tracking (SATTRACK) capabilities. Other agencies also participated to discuss coordination and program development in this key operational area.

To meet its information sharing commitments in the future, and thanks to the support from the Congress for essential funding, EPIC is in the middle of a major expansion in the use of information technology. These infrastructure improvements will expand access to EPIC for member and partner agencies, and improve the national information sharing programs being led by the Departments of Justice and Homeland Security. Critical improvements include: continued development and implementation of the EPIC Open Connectivity Project; the implementation of the National Seizure System; development of a web-based portal to allow EPIC users to electronically access EPIC; and establishment of a Continuity of Operation Plan (COOP) at an external facility.

The development and implementation of the EPIC Open Connectivity Project is critical to the overall future of EPIC. This is the most ambitious and dynamic initiative related to information sharing with state and locals ever undertaken by EPIC. Successful implementation of this project will provide web-based access by EPIC customers to EPIC services, as well as analytical tools not previously available to many EPIC partners. The result will be a significant enhancement in the ability of agencies to share information, coordinate joint operations and investigations, and, most importantly, enhance officer/personnel safety. The project will incorporate and ensure data security and audit capabilities, as required by statutes and policies.

EPIC is a national resource, and the many reasons for its creation in 1974 are still valid today. The vast number of intrusions across our Southwest Border relate to drugs, aliens, weapons, and money. Terrorist organizations may attempt to take advantage of these transnational criminal groups or methods to try to penetrate our borders. Numerous federal agencies need to work together to see EPIC's mission as their own. EPIC looks to its many partners who together can accomplish a complex mission through improved

coordination and synergy. In summary, EPIC is a National Center supporting federal, state, local, and tribal law enforcement through information sharing, analysis, coordination, and de-confliction; EPIC's core mission is to provide information and intelligence to assist in the interdiction of drugs, aliens, currency, and weapons, especially along the SWB; and EPIC's capabilities are used to ensure that potential terrorist intrusions receive proactive attention as well as reactive response.

CONCLUSION

Mr. Chairman, ladies and gentlemen, the DEA is committed to working both harder and smarter in dealing with the threat of transnational drug crime that affects our borders. This hearing comes at an opportune time, as Administrator Tandy has tasked me to lead an effort to make EPIC more relevant and useful particularly with regard to our Federal law enforcement counterparts. We recognize that coordination and cooperation are essential elements of the National Drug Control Strategy and we are working tirelessly to enhance the effectiveness and efficiency of our operations. We thank you for your continued support of DEA. This concludes my formal statement and I would be happy to attempt to answer any of your questions at this time.

Mr. SOUDER. Mr. Passic.

STATEMENT OF GREGORY PASSIC, DIRECTOR, OFFICE OF DRUG INTERDICTION, CUSTOMS AND BORDER PROTECTION

Mr. PASSIC. Thank you very much, Chairman Souder, and members of the subcommittee and staff, for inviting us to your hearing today. I hope that we can address the points you have raised in your statement. I think they are all important things that we are working on, but we need to be able to do in a better fashion, portray to you what we are trying to do and how we can work together to achieve the results that we are all looking for.

The southwest border is a very significant part of our job. It is also a major challenge to national interdiction efforts. I have a chart I would like to maybe show you, and I don't mean to bring this up to just put numbers in front of you, but Customs and Border Protection is very, very busy on the drug account. As you can see, last year we actually seized about 100-plus tons of drugs.

One of the better things that happened when Customs and Border Protection was created, we have one face at the border, we have one person who can represent the commissioner's wishes with our partners. We can sit down and we can talk about strategies and ideas, and it is not as complicated as it used to be.

I would like to point out, though, that most of those seizures resulted from what we call cold hits. We would welcome an opportunity to have better intelligence to our front line. What we like to see is what we refer to as smart intelligence. We would like to have intelligence that would direct us to seize drugs that come from trafficking groups that are under investigation. We would like to provide to ICE and DEA critical evidence in their drug cases, the means of sometimes getting extraditions of major traffickers. Nothing is more worthless, in my humble opinion, than a load of dope that doesn't belong to anybody. It does remove drugs from getting to the market, but we want to have more impact than that.

We also would like to—Mr. Placido mentioned EPIC and other intelligence programs that DEA has. We see them as a primary partner. They are the best repository of drug intelligence in this government, and we need to do a better job of connecting with them.

We appreciate DEA's efforts in the past 60 days to include us in their programs, to actually ask us what we need on the border, to participate with them in making EPIC, the Drug Fusion Center, and other vital drug intelligence programs work. And you are absolutely right: We don't need more, we need less; we need concentrated, we need better, and we need teamwork on the drug intelligence account.

We would also like to see better eyes and ears on the border. I mean, it is a tough job standing at that border and actually stopping drugs. We do the best we can, but we feel that we could do a better job if we had better intelligence on the staging areas in Mexico, if we could do more to help our ICE and DEA counterparts and the other interdiction members of the community to seize drugs before they get into Mexico. Mexico is a tremendous black hole for all of us. Once it gets into that bottom part of Mexico, it is tough. The next shot we have at it is at the border.

And along those same lines, I think the engagement of our Mexican counterparts is absolutely critical. If we have had a hole in our defense—and Mr. Placido mentioned that, because of the corruption factor down there, it has been hard getting the level of counterparts that really we could do joint operations with. We see some promise. This week the Mexicans have actually started kicking doors in and chasing some of the major traffickers out of their safe havens along that northern border. And we support that effort. We laud them for trying and tackling the tough guys that have been hard to get to in the past.

We also would like to work with DEA and ICE and others to somehow get beyond the word "cooperation." It kind of drives me crazy, to be honest with you. We should be using the word "collaboration." We should know what each other's role is, and we should complement each other's role and we should strengthen and add to that. A mere exchange of ideas is not going to take you where you want to go as far as effectiveness on that southwest border.

And we see positive signs of that happening. There is a lot of energy in the community right now addressing the issues you brought up. And I think that if we can somehow use that energy to, in your efforts—and I have to laud you for—I have been a drug warrior for 37 years. I started buying dope as a cop, and I spent 15 years in the Beltway drug war, and I have seen interest go up and down. I know your interest is real in your subcommittee, and you are trying to help us. And I think that we need to do that together. I think that law enforcement counterparts sitting at the table with your help can somehow focus that energy that is out there right now. And I haven't seen it for 4 or 5 years, but it is back.

DEA is looking at a strategy that actually enhances our ability to get into transportation groups. Their drug flow prevention strategy is something that we would like to support. ICE is also looking at the money side, which I think is an often ignored part of our drug problem, is the cash going back to these organizations that continue to cause us problems.

But I would just like to summarize that we have—our drug initiatives are still pretty strong. We would not like to leave you with the impression that we have, because of the war on terrorism, that we have abandoned this field. We feel that the Arizona initiative, that the America Shield, or even our container security initiative of checking containers before they are shipped here helps us interdict drugs. The better technology we get and deploy on that border, the better job we can do.

Thank you once again for inviting me and us. And my written testimony will also be entered, and be happy to entertain any questions you might have.

Mr. SOUDER. Thank you.

[The prepared statement of Mr. Passic follows:]

STATEMENT OF

MR. GREG PASSIC

DIRECTOR, OFFICE OF DRUG INTERDICTION
U.S. CUSTOMS AND BORDER PROTECTION
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

HOUSE COMMITTEE ON GOVERNMENT REFORM

SUBCOMMITTEE ON CRIMINAL JUSTICE DRUG POLICY AND HUMAN RESOURCES

REGARDING

THREAT CONVERGENCE ALONG THE BORDER: HOW DOES DRUG TRAFFICKING IMPACT OUR BORDERS

TUESDAY JUNE 14 2005
2:00 PM
ROOM 2203, RAYBURN HOUSE OFFICE BUILDING

CHAIRMAN SOUDER, RANKING MEMBER CUMMINGS, AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, it is my honor to have the opportunity to appear before you today to discuss the efforts U.S. Customs and Border Protection (CBP) is taking to stem the flow of illegal drugs crossing our Nation's borders. My name is Greg Passic, and within my capacity as Director of the Office of Drug Interdiction at CBP, I would like to discuss the multiple ways in which CBP coordinates intelligence and resources, both within DHS and throughout the federal government, in an effort to combat drug trafficking across our borders.

CBP, as the guardian of the Nation's borders, safeguards the homeland—foremost, by protecting the American public against terrorists and the instruments of terror, while at the same time enforcing the laws of the United States and fostering the Nation's economic growth through lawful travel and trade. Contributing to all this is CBP's time-honored duty of interdicting drugs and those who attempt to smuggle them across our borders. We cannot protect against the entry of terrorists and the instruments of terror without also reducing the flow of illegal drugs across our borders. The coordinated presence of CBP, strategically positioned at and between the ports of entry, as well as beyond our borders, enables the coordination of intelligence and resources in an increasingly effective manner. This coordination exists between the CBP Office of Field Operations, CBP Border Patrol, and CBP's Air and Marine Operations, and is further strengthened through regular interaction with other federal law enforcement agencies.

CBP OFFICE OF FIELD OPERATIONS

The CBP Office of Field Operations (OFO) has responsibility for traveler and cargo inspection operations at U.S. ports of entry. With more than 25,000 employees, including more than 19,000 CBP Officers and Agriculture Specialists, CBP's OFO oversees the programs and operations at 20 Field Operations offices, 317 ports of entry and 14 preclearance stations in Canada and the Caribbean. Equipped with the appropriate mix of technology and training, CBP Officers are able to execute their primary mission of detecting and preventing terrorists and their weapons from entering the country, while also interdicting illegal drugs and other contraband, preventing the entry of inadmissible travelers, and enforcing food safety and trade laws at the border.

In keeping with our efforts to increase interdiction, CBP has developed a series of strategies aimed at getting better and timelier information about the people and merchandise headed to our shores. For example, we require carriers to provide advanced electronic information about the merchandise and people they intend to carry to a U.S. seaport or airport. At the ports, all travelers and cargo

are subject to inspection. We further examine any travelers and cargo that are determined to warrant further scrutiny. In the cargo environment we use a variety of non-intrusive inspection (NII) technologies to quickly scan large shipments. The use of this technology allows CBP to examine more cargo than we could manually, and it maintains the integrity of the shipment if we want to begin a controlled delivery later. Furthermore, all CBP Officers are trained in questioning and observational techniques, which aids in identifying someone who may be smuggling narcotics.

CBP BORDER PATROL

Nearly 11,000 employees of CBP's Border Patrol are arrayed along, or proximate to the border with the primary mission of securing the border between ports of entry against terrorists, the means of terrorism, illegal drugs, and other illegal activity. The linkage between alien trafficking organizations operating in Mexico and the drug smuggling groups is well documented.

The CBP Border Patrol's National Strategy was formulated around a clear strategic goal: to improve control of the borders of the United States. The current Strategy embraces and builds upon the lessons learned from previous Border Patrol operational successes an all-threats strategy for all transnational criminal activity. Further, the strategy encompasses a defense-in-depth component through checkpoints that denies transport used to move illegal aliens or drugs away from the immediate border areas.

AIR AND MARINE OPERATIONS

CBP Air and Marine Operations (AMO) is the newest of CBP's three enforcement arms, having transferred from U.S. Immigration and Customs Enforcement (ICE) in late 2004. AMO supports CBP's mission to secure our nation's borders against all threats, including the illegal drug trade.

CBP AMO's include 1,000 personnel, approximately 140 fixed- and rotary-wing aircraft and 73 high-speed marine vessels, including 4-engine P-3 Airborne Early Warning (AEW) aircraft, CE-550 Citation Jet Interceptors, 40+ knot Midnight Express Interceptor vessels and UH-60 Black Hawk helicopters. AMO personnel routinely perform interdiction, intelligence and investigative missions on, beyond and inside the nation's borders.

AMO also provides aerial surveillance support to ICE and other federal law enforcement agencies, to include such missions as airborne monitoring of controlled deliveries and covert tracking of suspect ground and air vehicles.

Through the unique Air and Marine Operations Center (AMOC), located in

Riverside, California, CBP intakes approximately 200 civilian and military radar feeds from around the United States, Canada and its borders and fuses that data with law enforcement, intelligence and flight plan databases to produce a real-time common operating picture without parallel throughout the federal government. The AMOC feed is used to effect real-time interdictions of suspect aircraft on the nation's borders.

CBP INTERACTION WITH OTHER FEDERAL AGENCIES

CBP regularly cooperates with DEA through a coordinated enforcement / investigative effort which often includes DHS's Immigration and Customs Enforcement (ICE). The role of CBP in these smuggling investigations usually comes in the form of supporting controlled deliveries, in coordination with DEA and ICE, which provide intelligence and lead to greater numbers of seizures and arrests than if a shipment was simply seized at the border.

HOW CBP SHARES DRUG INTELLIGENCE

CBP coordinates and shares drug intelligence with other agencies through various means. At Southwest Border ports of entry, CBP has Intelligence Collection and Analysis Teams (ICAT) in place, which are an integral part of a port's narcotics interdiction efforts. Each ICAT is supported through personnel of CBP, ICE and other law enforcement agencies and resources. The activities of the ICAT are coordinated with the respective ICE entity. The fundamental mission of the ICAT is to produce actionable, tactical intelligence for dissemination to front line interdiction teams.

In the cargo environment on the southwest border the Cargo Analysis Research Investigative Team (CARIT) is in place. CARIT is a combined team of CBP officers, ICE and DEA agents and Intel analysis from CBP and the National Guard. The team gathers narcotic intelligence, processes narcotic seizures for control deliveries and conducts post seizure analysis.

We also work on a daily basis with the Office of Counter-Narcotics Enforcement (OCNE) and the U.S. Interdiction Coordinator (USIC). CBP recently hosted several meetings along the SWB with the Acting OCNE / USIC Director to discuss ways of including that office to assist us in strengthening our Drug Interdiction efforts.

RESULTS OF CBP EFFORTS

Mr. Chairman, the anti-narcotics efforts of CBP, in coordination with DHS and other agencies, are working. In any typical day, based on averages from fiscal year 2004 data, CBP executes 135 arrests at our ports of entry, and 3,179

arrests between ports of entry, many of these are drug-related. Also based on those averages, we seize an average of 5,947 pounds of narcotics at and between our ports of entry, over $200,000 in currency, and over 190 firearms, many of which are used in the illicit drug trade. The men and women of CBP have made a commitment to serve the American public with vigilance, integrity and professionalism in carrying out this mission.

Thank you Chairman Souder, and Members of the Subcommittee, for allowing me the opportunity to testify before this Committee on CBP Drug Interdiction Operations. I will be happy to take any questions you may have.

- # # # -

Mr. SOUDER. Mr. Torres.

STATEMENT OF JOHN P. TORRES, DEPUTY ASSISTANT DIRECTOR, OFFICE OF INVESTIGATIONS, IMMIGRATION AND CUSTOMS ENFORCEMENT

Mr. TORRES. Good afternoon, Chairman Souder, and members 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.

As the largest investigative arm of the Department of Homeland Security, 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 terrorists 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 the distribution of drugs within the United States. Despite, or possibly as a result of successes in controlling methamphetamine precursor chemicals in the United States 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 the commodity is involved, represents a vulnerability to our Nation's security.

The core of ICE's contributions to the national drug effort is our investigations which focus on attacking transportation networks and the illicit proceeds derived from all smuggling. 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 investigations ever conducted. The Rodriguez Orejuela brothers are the highest-level narcotic traffickers ever to be extradited from Colombia to the United States. The criminal indictments that resulted in their extradition also included criminal forfeiture counts that target $2 billion in proceeds.

In a preemptive effort, ICE's dedicated resources to investigating, disrupting, and dismantling those organizations that smuggle drugs into Mexico prior to their entry into the United States through OCDETF's 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.

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.

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 3-year OCDETF investigation, resulted in the arrest of 41 individuals and the seizure of $7½ million, 755 kilograms of cocaine, 6½ kilograms of heroin, and 205 pounds of marijuana. It should also be noted that this marked the first time that a money broker was extradited from Colombia to the United States.

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 United States into Canada. The northern border drug threat also includes ecstasy and methamphetamine precursors such as ephedrine. ICE and other DHS agencies have worked in partnership and with our Canadian law enforcement partners through Integrative Border Enforcement Teams [IBETs] 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.

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 this committee to enhance our abilities to accomplish this mission.

I thank you again for inviting ICE to speak with you today, and I will be glad to answer any questions you may have at this time.

[The prepared statement of Mr. Torres follows:]

U.S. Immigration and Customs Enforcement

STATEMENT

OF

JOHN P. TORRES

DEPUTY ASSISTANT DIRECTOR OF THE OFFICE OF INVESTIGATIONS, SMUGGLING AND PUBLIC SAFETY DIVISION

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT (ICE)
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?"

Tuesday, June 14, 2005
2:00 p.m.
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 Rodriquez 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 that 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.

Mr. SOUDER. I thank you each for your testimony. I am—we don't have our clock here, so I am going to start with some questions and I will yield to Mr. Gutknecht, and when Mr. Cummings is here, I'll yield to him as well.

I have lots of different questions, so it's hard to know where to start. I want to make it clear to any—to all of you, that the agents involved in the field are who we pay tribute to. I mean any kind of criticisms we're having on organizational structure, how best to effect this, is not criticism of individual agents who are doing their best every day on the front lines. And I know it's hard to pull a large bureaucracy together, and especially multiple large bureaucracies; and we have been unsuccessful historically and now Congress is saying, "faster, faster, faster."

But Mr. Torres, with all due respect, part of my frustration is that in your testimony you say there was an agreement between ICE and CBP to enhance the work of both organizations, and that prior to these guidelines there was little or no coordination between the agencies before the creation of DHS, which is certainly true. But what in the world are two divisions of an agency doing negotiating an agreement? I mean, the fundamental question here is that most Americans thought, probably idealistically, that when we merged DHS that there would be a joint mission, that there would be top-down review of how to be effective. Now we are hearing there is another review going of how to make this more effective. Not like it is two entities negotiating as to how best to trade information, but rather a systemic, integrated firm.

Now, my concern is not whether CBP or ICE is the better. Absolutely, both are needed. And not only do you need a picket fence, you need a flexible fence, in effect, that moves in both directions beyond the border. We need detention and removal. Some people are concerned about merging the two because we are going to forget the historic INS function, which is, I don't think, going to happen right now in the environment of the United States, that suddenly we are going to forget the INS, the legacy INS function.

What we are trying to figure out is how in the world can we devise an agency here inside the DHS that then can work with DEA. You have the Defense Department looking about standing up a NORTHCOM with another intelligence center on the border with JITF 6, the legacy JITF 6, whatever they come up with along the border, if we have any Guard and Reserve people to train along the border, but trying to figure out how to pull this all together. But one of the initial steps has to be some kind of a more effective organization inside DHS before we even get into kind of moving the rest.

Now, let me start with a couple of questions related to the organized smuggling enterprises. It was—and let me start with a very particular. I mean to me, drugs have the biggest death consequence in the United States, 20,000 minimum, 30,000 a year. Terrorism is probably—if you take it over the last few years, has been 3,000 to 3,300 total in the United States. But there you have the risk of a catastrophic amount of people losing their lives.

And then the third is our illegal immigrants; to the degree you have murderers or others come across the United States who aren't involved in drugs or terrorism, you have a certain risk too. But ba-

sically a lot of these are the same people and the same organizations. And certainly the vulnerability whether—if you can smuggle drugs across, you can smuggle nuclear parts. If you can smuggle people across, you can smuggle drugs or nuclear parts there. And to some degree, there is a merging of this. And we are looking at a number of different pieces of legislation to look at this.

Now, let me ask a series of questions based off of yet what seems like a nonborder issue but is directly related to, in my opinion, a border.

In Elkhart County, IN, in my district, the prosecutor has taken down two green card operations; in Allentown in my district, they have taken one, because we have relatively low unemployment and lots of illegals are coming in. We also see a small percentage of those, but a percentage of those with narcotics and a small percentage of those are in watch groups in my district, all of whom come across the border somewhere in the United States.

I also had a wedding reception the other week—and I raised this to Director Chertoff—one lady telling me that she had four—four people had stolen her Social Security number, and she couldn't get a credit card because four other people had her Social Security number. Then a doctor sat down at the same table, whose entire group had their Social Security number stolen and used; that, because basically if people are going to apply for jobs, they are going to need a Social Security number, and if they have a Social Security number with a picture, then the employer can't do anything about it as long as there is a Social Security card and a picture.

Now, what it suggests to me is there are fairly large operations going on here that when I go down to the southwest border, and no matter which of the agencies I work with, clearly we are looking at people as they are coming in. As you mentioned, the Coast Guard is interdicting before they get into Central America. Once it gets into Mexico we kind of lose it; it pops back up in the border. By then the question is, are they going to go through with just kind of an illegal immigrant violation at a regular border crossing, in which case we will detain them and send them back and then they will come through again; or if they have a criminal record, we will detain them; or they will move in between the different areas. That as you look at this pattern, particularly in between the different areas—and now correct me if any of you feel this statement is incorrect—that those who have other criminal intents or criminal records are more likely to move through a nonport of entry, because at a port of entry they are more likely to get caught, to be screened and therefore detained or sent back.

So if you have a criminal record, other than illegal immigration, the odds are you are going to move either in eastern California, somewhere in east or west Arizona, or in so many holes in Texas. In which case that, if that is true, do any of you disagree with that statement that if you were a high-risk person, probably a point of entry isn't where you are going to head across? And that we all know and can see with the eyes, anybody who goes to the southwest border, that these people are not likely to walk up in groups to the desert, with up to 100 miles across, without having some kind of vehicle designated in advance to pick them up, that somebody is out there waiting for them. That, furthermore, we full well

know they are directing them along the way. That—in multiple ways, whether it be in a course of the path, whether it be where there is water, whether it is a Blackhawk is coming and you had better hide for a while, abandoned loads of dope that we find because we got tipped off or heard that there were Border Patrol vehicles up ahead. That then, when somebody picks them up, who is renting the vans? Who is putting the ads in Central America?

I mean, I've heard testimony at this subcommittee and over at Homeland Security where they said it is $8,000 to $12,000 to get a 7-day guarantee into the United States or you get your money back—if you are from Mexico, a little more if you are from Central America—testified from DHS from Mr. Garcia that it was substantially higher for Middle Easterners, but around $30,000. That that means somebody is advertising, like a travel agency down in Central and South America; that somebody is arranging the vans; that somebody is providing the Social Security numbers; that somebody has probably got a job list where they are headed.

And the question is that probably many of these same groups are involved in multiple things. They are for-hire agencies.

To what degree do you—are you coordinating with the FBI through OCDETF, with the DEA through their narcotics intelligence efforts, through the ICE, through the Customs and Border Patrol? To what degree are you looking at these systems, which are probably doing—if 92 percent of the cocaine is coming through these holes, what are we doing to catch that?

What are we doing with the human trafficking organizations? In my bet, we're going to find a lot of them are the same people financing this. And I'd appreciate some comments on that. And do you need additional legislation, more penalties for coyotes, more penalties for people who organize? What is the approach of each of your agencies in looking at these systems? And are you talking to each other about it?

Are we so stovepiped right at the border, stovepiped in land and ICE investigations, stovepiped in DEA, stovepiped in the FBI, that we aren't even kind of coordinating a systematic—what I just outlined was probably a work force, an international, a van rental that is—you know, they aren't thinking, oh, this isn't in any jurisdiction, they are working as an organized structure in between the borders. You don't just randomly walk through 100 miles of desert unless you are really stupid. And some people are, but most of them aren't.

Mr. TORRES. Mr. Chairman, I would like to start responding on behalf of ICE. I would like to give you one example of how we are coordinating our efforts on the southwest border, and that is with the Arizona Border Control Initiative along the southwest border, mainly between the ports of entry on up through the State of Arizona into Phoenix, and our precursor operation with ICE, which was the Operation ICE Storm.

For example, we take a look at working in partnership with the Border Patrol, with the CBP inspectors, and in many instances with DEA and the FBI, with the level of violence that we are seeing associated with human traffickers, human smugglers, and drug traffickers.

Some of the results over the past year and a half—this is an ongoing initiative that started a little over a year and a half ago. We've interdicted over 7,000 aliens, presented over 300 defendants for prosecution for human smuggling violations, recovered over 250 weapons. We have seen a dramatic drop in human aliens/kidnapping-related crime from 82 percent down to about 20 percent. And those are based on statistics from the Maricopa County Sheriff's Department and the Arizona Police Department.

What we do is we work hand in hand almost in a task force environment down there, sharing intelligence and working leads together. Whether we get a call somewhere across the country that says there are people being held against their will in a drop house in Arizona, we will work in concert with the FBI, if necessary, with State and locals, to go rescue those people. In many instances those, as you said, some of those organizations are also moving drugs. And we are working closely with DEA, we are working closely with Customs and Border Protection through the Border Patrol agents to interdict and to focus on the organizations.

ICE focuses on the investigations itself, and we take a look at where there is displacement. When we received intelligence that those organizations were moving outward, either toward Las Vegas or Los Angeles International Airport, we then focused our efforts in Los Angeles. Exactly as you were saying, we focused on travel agencies, because those travel agencies were bringing people into the United States or providing some sort of money laundering operation for those organizations. And we also had significant success in dismantling those organizations in Los Angeles. I can't speak on behalf of everyone at this table, but I would venture to guess that most of them here would say that Arizona Border Control Initiative has been very successful as an example of how we are coordinating on the southwest border.

Mr. PLACIDO. Chairman Souder, the Drug Enforcement Administration takes a very systemic view of collaboration, cooperation, at the interagency level. Let me give you just a few examples of that.

Our foreign office in Mexico, which I recently ran, in our office spaces are not only DEA personnel, but ICE and FBI physically colocated and co-mingled. The El Paso Intelligence Center since 1974 has been an interagency center designed to bring together people at this level. Our Office of Special Intelligence in the Special Operation Division at DEA are interagency, and now the new OCDETF Fusion Center, all designed to be interagency, and with the express purpose of doing exactly what you are talking about: assuring that we collect the right kinds of information, we maximize our efforts in collection, and then get that information to the agency that has primary jurisdiction for handling that matter.

I believe that what we really have is more of a problem in execution than in strategy. We know what needs to be done; I think that we just need to do this more fluidly and to really recognize that this is an order of magnitude problem; that the flow of drugs, chemicals, and other transnational crime coming across that border is enormous. And the level of cooperation that is required to combat it, given the resource constraints that we have, particularly outside the United States, has to be really maximized and optimized to get to the place that we all want to be.

Thank you.

Mr. PASSIC. Just one short comment. We have the luxury of being outside the cat-fight domain of the investigators and the intel community, and that is where the rub comes in the Federal drug war. And we are lucky in that we can sit down and we can talk to ICE and DEA and the interdiction community about just doing a better job. They don't have to worry about us competing or having that overlapping jurisdictional problem that the rest of the guys have to work with. So we do need that information that you talked about, though, because when we pick up somebody, especially at those inspection points inland, about the only thing we can count on is a thumbprint. And we are hoping that the OCDETF Drug Fusion Center, combining 32 Federal databases, not just drug information, but all criminal data is going to be in there to include identification of subjects. We want to figure out a way to plug into that. We want to be able to have our license plate readers not only on our points of entry, but also in those inland inspections, automatically query all of those databases so we know who we have and we can make an apprehension and a detention.

Because the bottom line is, on that border we have to have—there has to be some threat of arrest and incarceration. There has to be some deterrence that has to be built into it. The catch-and-release policy doesn't work very well, and we recognize that. And we need that intelligence, we need more prosecutors and investigators to do that.

Mr. SOUDER. Thank you. I will ask some probably written detailed followup. And we may have to do something in particular on the Arizona Border Initiative.

I asked Commissioner Bonner from the committee how many people extra came through in Texas and California, because, for example, I was there during—at the time of the Arizona Border Initiative, and know that Texas was more or less stripped of resources, as was much of California in the sense of helicopters, planes, many agents; that also the numbers that were—the number of people detained on the border daily across that have been given to us by CBP didn't totally change much, it just switched to Arizona.

That suggests there may have been a counter movement if you don't have enough people on it. And I want to pursue that a little bit more, because the third thing with that is what actually happened to the people who we arrested, and did we in fact get any of the systems? But we will followup more with some written questions.

I yield to Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman. I am glad you are holding this hearing this afternoon. And I apologize to our witnesses. Ms. Norton and I were meeting with the Secretary of State, Ms. Rice, and we ran a little bit over.

But again I thank you, Mr. Chairman, for holding this important hearing to examine the efforts by the Department of Homeland Security and the Drug Enforcement Administration to address the narcotics smuggling as one among many serious threats to Homeland Security both in northern and southern U.S. borders.

Our outlook on border security has changed substantially since the attacks of September 11th, as the independent bipartisan National Commission on Terrorist Attacks upon the United States noted in its July 2004 report on the September 11th terrorist attacks. And they said: In the decade before September 11, 2001, border security encompassing travel, entry, and immigration was not seen as a national security matter. Public figures voiced concern about the war on drugs, the right level and height of immigration problems along the southwest border, immigration crises originating in the Caribbean and elsewhere, and the growing criminal traffic in humans.

The immigration system as a whole was widely viewed as increasingly dysfunctional and badly in need of reform. In national security circles, however, only smuggling of weapons of mass destruction carried weight, not the entry of terrorists who might use such weapons or the presence of associated foreign-born terrorists.

That is from their report, the 9/11 Commission.

Our heightened attention to terrorism and different terrorist methods do not change the fact that some 20,000 Americans die as a result of drug abuse every year, nearly seven times the number of lives lost on September 11th. It is therefore critical that we not lose our focus on drugs when it comes to protecting America's borders, and Congress has taken steps to ensure that this does not happen.

To ensure that the attention to the counternarcotics mission would not take a back seat to other priorities within the component agencies of the new Department of Homeland Security, Congress specifically provided that the Department's primary mission would include the responsibility to monitor connections between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking.

Congress has since established within DHS the Office of Counternarcotics Enforcement to ensure a high profile for the counterdrug mission within DHS and to facilitate coordination of counterdrug intelligence among DHS component agencies and between DHS agencies and outside governmental agencies.

Unfortunately, the President's fiscal year 2006 budget request chooses not to fund DHS Counternarcotics Enforcement Office. This is simply unacceptable in light of the threat that illegal drugs pose and the fact that DHS is the lead Cabinet-level agency for providing drug enforcement along our Nation's borders.

According to the National Drug Intelligence Center's National Drug Threat Assessment for 2005, the southwest border States are primary points of entry for major illicit drug threats such as Colombian and Peruvian cocaine, South American and Mexican heroin, Mexican methamphetamine, and Mexican and Colombian marijuana. The northern border States are primary entry points for Canadian marijuana, southeastern heroin, and ecstasy.

Given this reality, it is imperative that DHS component agencies cooperate fully with each other and with DEA and other sources of operational and intelligence support to interdict drugs both at the borders and before they reach our borders and shores in the transit zone.

Our witnesses hopefully will provide information along those lines.

[The prepared statement of Hon. Elijah E. Cummings follows:]

Representative Elijah E. Cummings, D-MD7
Ranking Minority Member
Subcommittee on Criminal Justice, Drug Policy and Human Resources
Committee on Government Reform
U.S. House of Representatives
109th Congress

Hearing on "Threat Convergence Along the Border: Will Drug Trafficking Techniques Provide Some Answers?"

June 14, 2005

Mr. Chairman,

Thank you for holding this important hearing to examine efforts by the Department of Homeland Security and the Drug Enforcement Administration to address narcotics smuggling as one among many serious threats to homeland security at both the Northern and Southern U.S. borders.

Mr. Chairman, our outlook on border security has changed substantially since the attacks of 9-11. As the independent, bipartisan National Commission on Terrorist Attacks Upon the United States (also known as the 9-11 Commission) noted in its July 2004 report on the 9-11 terrorist attacks,

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Given this reality, it is imperative that DHS component agencies cooperate fully with each other and with DEA and other sources of operational and intelligence support to interdict drugs both at the borders and before they reach our borders and shores, in the transit zone.

Our witnesses will give us insight into the level and quality of interagency cooperation that is being directed toward the various threats to homeland security that enter the United States through our borders and ports of entry, including the extent to which counterdrug efforts are emphasized and used

to improve efforts to prevent terrorism, human trafficking, and illegal immigration.

I look forward to the testimony of our witnesses and yield back the balance of my time.

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Mr. CUMMINGS. And to that end, Mr. Chairman, if I still have a moment, I just want to go to Mr. Utley and just ask you one quick question and then I know my time is probably up.

I am just wondering what kind of message, Mr. Utley, do you think it sends when the President fails to include money in his budget for your office, for what you are doing?

Admiral UTLEY. Well, the 2006 budget included $1.82 million for the office that has been carved out to the chief of staff's office. And I do have complete freedom with that. And it has not—the working under the chief of staff's—well, under the auspices of the chief of staff has not proven to be negative in any way.

Mr. CUMMINGS. I don't know if you know it, but it was the legislation of this subcommittee, and in particular Mr. Souder and the ranking member, myself, that created your position. And we have been very concerned that position has not had the oomph that we had intended it to have. As a matter of fact, when your predecessor testified before us, I almost vomited to know how weak the position was. And I just wanted to know where we are today. I mean, you feel pretty good about it? Do you feel like you are having some impact? Do people listen to you?

Admiral UTLEY. Oh, absolutely. As a matter of fact, I mean, I meet with Commissioner Bonner and Mr. Garcia and the Commandant of the Coast Guard on a monthly basis, and we discuss all of these things. I have absolute access to these individuals to talk about coordination and how we can make things better, and I have access to the Secretary as well.

Mr. CUMMINGS. The other week we had some testimony, I guess maybe about a month ago, before our subcommittee about the southwest border. And they made it sound like you could come through—that the southwest border had holes like Swiss cheese. And they talked about—what is the name of that group, the group of, the—yeah, the Minutemen, the Minutemen. Them. And they talked about, they provided some very interesting testimony. And they made it sound like people were like coming over the border in droves. And, you know, you can't help but think as I listen to them, and we kind of hit on it in that hearing, what they might be bringing with them and how porous that border is with regard to drugs. And I was just wondering, do you all see that as a major point of entry? And you all may have testified to this already.

Admiral UTLEY. Well, generally, the conventional wisdom is that cocaine comes through the ports of entry and marijuana comes through between the ports of entry. I mean, that is certainly not exclusive, but that's generally what it is. And if you—I had the opportunity to follow the chairman on his trip to the southwest borders. I have laid eyes on that southwest border, and I understand how difficult that is to maintain the line, as they say, in the Border Patrol.

Mr. CUMMINGS. Did you think we need more Border Patrol?

Admiral UTLEY. I think that the system of people, infrastructure and technology is really the answer. And I think that you probably talked to Chief Aguilar about that. And you can't do one without the other. The answer is not green shoulders, shoulder to shoulder across the line, I think it has to be a holistic approach, and to include U.S. Attorneys, bed space, things like that.

Mr. CUMMINGS. Do you all think there are enough resources down there? I'm talking about the southwest border. This is the Congress, we're supposed to be allocating money. I'm just curious.

Admiral UTLEY. Well, the President's budget asked for more Border Patrol agents, so there are more resources going there. And also, there is the America Shield Initiative, which has support from the administration, that will bring this technology to the southwest borders. Once again, it is not just people, it's a combination.

Mr. CUMMINGS. You realize we had legislation not very long ago, an amendment to try to bring more members of the Border Patrol and it was voted down by the Congress. Do you realize that?

Admiral UTLEY. Yes, I do.

Mr. CUMMINGS. Were you disappointed about that?

Admiral UTLEY. Well, like you said, it has to be a holistic approach. In other words, it has to have a holistic approach across the entire border. It's not just people.

Mr. CUMMINGS. I got that piece. I'm asking you were you disappointed about the fact that the Congress voted down more members of the Border Patrol that would have been patrolling that southwest border that you're talking about? You're our guy, you're our guy in this operation. So I'm asking our guy, the one whose position we created, were you disappointed? And I realize there are other things that have to be done, but right now I'm dealing by the way with this piece.

Admiral UTLEY. Well, anything that takes away with more on the southwest border is, of course, disappointing.

Mr. CUMMINGS. And so do you need more resources—I got that piece, do you—I'm almost finished. Do you need more resources with regard to this other piece that you talked about? You said there are more pieces than just people, which I do agree. Do you have the resources you need for that, for the other pieces?

Admiral UTLEY. It has not been fully developed yet. This is one of these things almost like the analogy—any great procurement, in other words, you come with an idea of what you would like to have, set of requirements, but you don't know what all the hardware is and what the best way to do it is. And we are not far enough along to have that information and present to Congress and say, this is what we need precisely. Do you see what I'm saying?

Mr. CUMMINGS. Yes. And so I take it that all of you must be a little concerned, particularly after September 11th—or greatly concerned about—I'm just talking about the southwest border, I'll talk about the other one when I get to another round on it, I guess—about the fact that this border is as porous as it is. Is there anybody that feels comfortable that it's OK?

Mr. PASSIC. Greg Passic from Customs and Border Protection.

Commissioner Barner, I believe, addressed our personnel needs at the full committee hearing, but I know that we have presented a package which is being looked at now by principals in our Department and they're trying to figure out how to fit that together. And I would be happy to get back to you about how that is progressing and what enhancements we've asked for.

Mr. CUMMINGS. What about you, Mr. Torres? I was asking, do you, I take it, any of you all satisfied with the southwest border at all? Do you feel comfortable with it?

Mr. TORRES. Actually, we're looking at the southwest border now to develop new ideas and innovative ways of addressing the threat, whether it is the human smuggling threat or whether it's the drug smuggling threat or whether it's an immigration threat, so that we can leverage all resources, not just the ICE resources, but resources within the Department and from State and locals.

So if your specific question is, am I comfortable with the southwest border? I would like to see more on the southwest border, and that's why we're taking a look at different opportunities to see how we can address that.

Mr. CUMMINGS. Do you have a timetable?

Mr. TORRES. Actually, the Department of Homeland Security and ICE is participating in a southwest border strategy effort; that's ongoing, I don't have a specific timetable for you.

Mr. CUMMINGS. All right. Thank you, Mr. Chairman.

Mr. SOUDER. Thank you. I think the record needs to show there is no budget item for your office. What you were referring to was the fact that inside the administrative budget of the agency, that you're inside the chief of staff and your internal budgeting, they intend to spend $1.2 million.

Admiral UTLEY. That is correct.

Mr. SOUDER. But the budget is something that puts the President's stamp of approval, it then gets locked by the appropriations process. And in fact, when we went to the Homeland Security debate, as we tried to formalize that in the budget, the administration opposed that aggressively with Chairman Rogers, he said he would continue to negotiate through. And in fact, this office continues to be not funded in the budget, but funded at the discretion of the chief of staff and his internal budgeting, which is different than a Federal budget that acknowledges that the office is there.

Admiral UTLEY. That's exactly right.

Mr. SOUDER. Also, I think it's important to note, because I misspoke earlier and you clarified, that while most, other than immigration, most illegal activity is concentrated between the ports of entry, that is not true for the larger loads going through trucks, tunnels and trains, which Mr. Placido, you had in your detailed testimony where you talked about the cocaine. Is it not true that most cocaine and precursors to methamphetamines and others are moving in larger loads, probably not on the backs of individuals or between the borders, but rather through more major transit things? Not through the human port of entry or even in between the borders as much; you're seeing more of that in the tunnels, the trains and mostly trucks. And Mr. Passic can maybe talk about that, too.

Mr. PLACIDO. Yes. It is a little more complex than that. One of the things that we're all challenged with as we look at drug seizures, particularly cocaine seizures that are seized in transit. And we will see in a typical go-fast operation, the seizure will be in metric tons, on a fishing vessel 5 tons, but we know that the average seizures along the southwest border are 50 to 100 kilos at that time. And so what happens is those large loads are moving into Mexico, they're being staged. And our adversary is very sophisticated and they're playing the law of averages. They take very large loads into Mexico, break them down and run them across. And

we're fighting a veritable ant army, if you will, as they cross and then it is reconsolidated again for movement throughout the United States. So it is a very sophisticated adversary that we're up against, sir.

Mr. SOUDER. Mr. Passic, Mr. Placido, in his testimony, said there were like 40 tunnels. And these tunnels are amazing. They often go from one company to another company across the border. When you take one of those down, can you give an idea of the scale of the volume that you're getting as opposed to when you take down the individuals or even individuals who split up who are bringing the loads across?

Mr. PASSIC. It goes back to the issue of intelligence and investigations, why we are looking for our buddies here to help us out there.

You need to develop intelligence on both sides of the border, both in the staging areas and also where is the dope going once it comes through, that's why controlled deliveries are so important. I can't really tell you the magnitude or percentage of drugs that comes through the tunnels, it is significant.

Mr. SOUDER. But like when you get a case, it's not a kilo, it's tons.

Mr. PASSIC. Yes. But you often only get the person that is coming through the tunnel at that time. You don't get what went through before, but we recognize that.

We will also agree that with cocaine and heroin shipments, mostly from Colombia, we're looking at the ports of entry, at vehicles coming through. Border Patrol is mostly marijuana seizures.

Mr. SOUDER. Mr. Ruppersberger.

Mr. RUPPERSBERGER. Sure. We sit here on a regular basis and hear testimony, and I want to thank you all for what you do. But it's very frustrating to look at how we put the drug interdiction enforcement as a priority in this country.

We, right now in Iraq and Afghanistan, have some of our best intelligence officers. We have joint task force working together, Army, Navy, Marines, whatever, all coming together and intel is a very strong component. We have right now in the United States dealing with the issue of terrorism, the Joint Terrorism Task Force that has the FBI, CIA, NSA, I think Customs, Immigration, I believe DIA all working in the area of terrorist threats, as we should. But then you look at what's happened with respect to drugs; 85 percent, I think, of all violent crime in the United States is drug related.

And what I see in my travels, and I just got back from South America, but when I was in Chiang Mai and Thailand, I saw there are very few DEA agents left. I see that the budgets are getting lower and lower, and that we have not made the war on drugs the same priority as we're making the war in Iraq and Afghanistan. And I think this is a big mistake because they both should be high priorities.

Now, when I just came back last week from Bogota, Colombia, you see where the drugs are coming from. I think the leadership there and the president is very courageous in that he is telling the narcos and the FARK that we're going after you, we have a drug program where they are either spraying or literally pulling the coca

plants out of the ground, and then getting the people in poverty that are picking the plants and having them plant something else. And I don't see that priority here.

I think one of my biggest concerns that I want to express here today is about our intelligence capabilities regarding the trafficking of drugs. Once they leave Mexico and Central America and are on the way to us, the United States, I believe there is a hole in our intelligence network that must be closed, and I hope that additional cooperation between the agencies—Mr. Passic, you mentioned today a couple of times about how you would want to receive more intelligence. You know, if you took some of the same resources and you put all the disciplines that we have, you put the CIA, NSA, DEA, FBI, Customs, Immigration, you put those resources, and you put them in Mexico as an example and get the intelligence that's necessary, we could make a difference. Right now, right now we, I believe—and correct me if I am wrong—85 percent of all the cocaine and most heroin is coming from Colombia is going through Mexico, and you all are out there trying to do the best you can, trying to talk about your strike forces and everything else, and I need to know what your resources are. You can't sit here, I guess, because you represent a certain agency and ask for more money, but we're sitting here looking at what you're doing and you're not getting the resources.

Now Mr. Passic, first thing, what type of intelligence would you want to see? What do you need to help you do your job in a better way?

Mr. PASSIC. Since you asked the question——

Mr. RUPPERSBERGER. And I'd like the answer.

Mr. PASSIC. I'd like to try to give you the straight answer here.

Drug intelligence is very fragmented, we're all responsible for that, law enforcement, Congress, we all kind of watched it go into 32 separate databases over the 25, 30 years I've been here. One of the best things that happened to drug intelligence after September 11th—and this was a congressional initiative, Congress came up with this and gave law enforcement, the OCEDEF program, $25 million to startup infusion of drug intelligence, to take those 32 separate pots of intel and put them together in a super computer. That includes not only the drug intelligence, but it includes financial intelligence from Treasury, it includes a lot of intelligence that we've been collecting at great expense to the taxpayer over the last 30 years that we've never exploited or used correctly. I think that was a step that Congress took that forced us to react to it, I think it was a good step. I think the community needs to continue to support that because if we can make this work, if we can get in there and we can have one-stop shopping at some place that has all of that intelligence with one query, not having to hit 32 different databases, that's a major step forward.

Mr. RUPPERSBERGER. Let me ask you another issue, too—and maybe anybody can answer this. Part of the reason I think Mexico traffickers are doing so well in Mexico is because it's a safe haven for them. It's because the corruption that probably exists in certain arenas allows them to exist or it wouldn't be there. What do we need to do to deal with the issue of corruption from your opinion, anybody on the panel that has the answer. Is it political, is it po-

lice, military? I mean, it's multifaceted, and if we don't start focusing, prioritizing, it's never going to stop. And it seems to me the same people that are taking illegals over the border, taking the drugs over the border, sure enough are taking al Qaeda cells over the border, also.

Mr. PLACIDO. Yes, sir. In one my former assignments between 2000 and 2002 I served as DEA's regional director for the Mexico Central America Division. And I can tell you that under the Fox administration during the last 5 years, we have seen an amazing turnaround. We have probably had more success in terms of disrupting and dismantling organizations in Mexico in the last 5 years than we have in the last 50, but it's really a drop in the bucket compared to what needs to happen.

You mentioned Mexico is a safe haven, and it is. Things that we take for granted here in the United States, we talk about forming task forces and relying on State and local and tribal law enforcement to assist Federal authorities. In Mexico, law enforcement frequently is not a source of assistance; they are the criminal adversaries that we face, they're the hired guns of the narcotic traffickers.

Mr. RUPPERSBERGER. OK. So how do we deal with this? And let's talk solutions.

Mr. PLACIDO. Yes, sir. One of the things we have done with great effect is our vetted unit initiative. We have pulled together groups of police officers in Mexico, and the successes that we have had are a direct result of this, who are given a very rigorous background examination, polygraph examination, urinalysis, and when they pass through that process, we end up giving them specialized training and the tools to work with. And these form the basis of our international cooperation; this is the vehicle through which we're able to share very sensitive information and advance U.S. interests.

But the problem is, on an order of magnitude, these are very small units, and we can advance on a case-specific base——

Mr. RUPPERSBERGER. Doesn't it have to start at the very top, the president? Let's take an example of something that works because you want to look at what works.

I was very impressed last week in Bogota, Colombia and we met with the president and the head of narcotics. And it seems to me that the United States and Colombia have done an excellent job in removing the corruption and getting the right people, creating a patriotic atmosphere for the Colombians. And that the generals and the people involved in narcotics have basically moved out with our help, the United States, a lot of the corrupt people, and now they're able to do things they've never done before. And I don't see that same type of situation in Mexico. Do you agree with that or not?

Mr. PLACIDO. It's difficult to say. I'll offer a personal opinion here, and I have spent extensive time in both countries.

I think the fundamental difference between Colombia and Mexico is that the Colombians themselves have viewed the narcotics problem as the engine fueling huge domestic problems for themselves. They've made an internal decision to change. I don't think that as a nation, Mexico is there yet.

Mr. RUPPERSBERGER. And that means it starts at the top, and it is part of our pressure, too.

One question that I have, Mr. Chairman, and I'll stop. What resources do we need to start dealing with the issue in Mexico? Is it money, is it our leadership putting the pressure on the leadership in Mexico? I mean, bottom line, I think more and more with Colombia's eradication, they're not going to ever stop it, but they're moving somewhere. Do you agree that 85 percent of our cocaine comes from Mexico right now?

Mr. PLACIDO. The official statistic, sir, has just gone from 77 percent to 92.

Mr. RUPPERSBERGER. There you go, it's even more. And how about the heroin, at least 90 from the east coast, Mississippi River east?

Mr. PLACIDO. It's a significant amount.

Mr. RUPPERSBERGER. If you were the President of the United States and you knew, based on your background, tell me what you need, the resources, to deal with corruption, to deal with this problem in Mexico. Because then when it gets to our streets and we have our police officers out there working and trying to stop it and catch people, you take down one, two more come up.

Mr. PLACIDO. Well, clearly, as an official of the administration, I support the President's budget——

Mr. RUPPERSBERGER. We're not asking about that, you covered yourself there.

Mr. PLACIDO. I understand. What I can tell you is that there are great efficiencies that can be had from using the resources that we already have at our disposal to greater effect. And I think that we're seeing the beginnings of that right now. I am very encouraged by some of the steps that were taken immediately prior to this hearing to try and leverage increased deficiencies from the resources we do have. I am not prepared to sit here and tell you that we wouldn't like more resources. The magnitude of the problem that we face from Mexico is enormous.

Mr. RUPPERSBERGER. I'm glad you gave that answer and you covered the President, and whatever. Bottom line, the war against drugs is hurting more Americans than the war right now in Iraq and Afghanistan, and we have not put the resources in, the budgetary money isn't there, and we haven't stepped up what we need to do. And I would hope that a hearing like this will at least come out with some solutions so that we, as Members of Congress, can work in a bipartisan way with the administration to make sure that they identify this is a serious problem, and what we're doing now isn't going to solve it.

Mr. CUMMINGS. Just 1 second. You just said something that I just want to know what you meant by it. You said you were pleased with the things that happened just before this hearing. I just want you to clear that up, I don't know what that means.

Mr. PLACIDO. Yes, sir. In the weeks leading up to this hearing, and not because of this hearing, DEA has held a series of meetings on what we're calling our Worldwide Drug Flow Disruption Strategy. We met with ICE, CBP, Coast Guard the intelligence community to try to pull together a strategy to try and degrade our adver-

sary's capability to get drugs to the border. So that's very encouraging.

About a week prior to the meeting, Mr. Passic and I met, and there currently are no CPB officials at EPIC, for example, they weren't there before the reorganization, but we're working together integrating CBP into EPIC and to bring them into the OCEDEF fusion center. So there are some initiatives that are underway right now that we're very optimistic are having to bear fruit and really help bring greater efficiency than the resources we already have, sir.

Mr. SOUDER. If I can followup one more on this with a question from Mr. Ruppersberger on the fusion center. Mr. Passic, given what I just heard from Mr. Placido, I take it your office is looking at joining the fusion center, your agency, CBP?

Mr. PASSIC. Yes, that is correct.

Mr. SOUDER. Mr. Torres, has ICE agreed to submit their data to the fusion center?

Mr. TORRES. That is actually being reviewed practically at the cabinet level, looking at the different legal hurdles that we have in submitting all our data that is in our system right now. A couple of issues, one has to do with asylum data in our immigration basis, and the other with a proprietary commercial business administration that is owned actually by the companies out there. So we're looking at those right now.

Mr. SOUDER. If those issues prove to be stumbling blocks, couldn't most of the information be isolated from that? In other words, rather than legal issues, block submitting case management data as a whole going in, rather than isolate out some?

Mr. TORRES. I would have to get back with our technical experts on that and give you an answer.

Mr. SOUDER. Because it doesn't do us any good to do fusion centers if the other agencies don't fuse.

Mr. McHenry.

Mr. MCHENRY. I will defer at this moment.

Mr. SOUDER. Thank you. Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman. I think what you're hearing from the committee in part reflects the fact that after September 11th, there was some reason to believe that the terrorist threat, in and of itself, would raise the priority for effective ways to deal with drug trafficking on the one hand, on the trafficking side and on the demand side, and I think there is real disappointment that this has not happened.

It's easy enough to recognize that drug traffickers and people just crossing the border would take the same routes. I'd like to raise it to the next step, because if it's easy enough for terrorists to figure out, as Mr. Souder said, why bother to come in legally? I mean, isn't it kind of silly to bother to come in legally if there are so many entryways, illegal entryways that are so easy to manage, even for amateurs. And these are people that tend to get to be professionals in what they are doing rather quickly, whether it's flying a plane or figuring out the best route across the border.

The next step, of course, is to figure out, if it's so easy to cross the border, look at how easy it is to make money trafficking in drugs. Boy, they've shut down al Qaeda and perhaps done an effec-

tive job, as we understand, shutting down the money routes, the known money routes.

A lot of folks, also amateurs, are making a lot of money smuggling drugs, I mean, millions upon millions. So I'm interested in specific connections between drug smuggling, drug trafficking and terrorists. And not only terrorists themselves, but again, you really don't have to be one of these rather able terrorists, and they have shown themselves to have some strategic ability, to figure out that—you might not even have to get in the business yourself—there are already plenty of folks who smuggle—to establish connections between those folks, the same folks, by the way, so that one doesn't have to look at nationality—but the same folks might be an even better way, since the one thing that turns out to be fairly easy to do is to get drugs across the border and to find people willing to take risks to do so.

So my question is, to what extent are terrorists used in the drug smuggling business? Have they yet found their way—God knows I can't believe they won't, at some point—have they yet found their way into the business, either directly, or using the many agents they could find who are already in the business, and to what extent is this occurring, and to what extent do you know anything about whether it's occurring?

Admiral UTLEY. Well, part of the mandate that was set up by this committee was to track a connection between terrorist and counternarcotics, I'll tell you what I'm doing. First of all, we have not found a direct connection by terrorist organizations using counternarcotics to bring anything in the United States. Now, of the CPOC targets, the consolidated priority drug trafficking targets, 18 of those have a connection, even if it is peripherally and it's outside of your borders.

Now, what have we done to energize this? I've asked ENDIC, and they are providing a study right now to determine in depth what the association would be.

I have also energized the National Counterterrorism Center to look at this as well, and the JTTF precisely with that. And I have set up a division within the organization that I have that is precisely looking at tracking, and if a connection is found, severing a connection between drugs and terrorist.

So it's not—we've got an eye on it, I guess, and we've engaged the right people in the intelligence community to take a look at just exactly what you are asking.

Ms. NORTON. One of the great criticisms of our intelligence was that we didn't have human intelligence, we didn't have people on the ground, we didn't have people trained in the language and so forth. Well, you know I think we do have the capability to have human intelligence, people who speak Spanish. And it does seem to me pretty clear that unless one is engaged in human intelligence, one cannot possibly know if this is happening or be able to stop it before it becomes a real phenomenon.

And again, I stress that if the whole point after September is to be forehanded, the only question is, when will somebody figure out that this is a fairly easy way to do it? So my question is, do you believe that human intelligence should be used? Is human intel-

ligence being used on the other side of the border, whether for straight out drug trafficking or for finding these connections?

Mr. PLACIDO. Yes, ma'am. A direct response to your question, and with the support of this committee and the Congress, the DEA operates approximately 80 offices in 63 countries around the world. About 10 percent of our work force is overseas, and about a fifth of DEA's 5,000 informants that are active at any given time are based outside of the United States. So we are actively recruiting human source intelligence around the globe.

And increasingly——

Ms. NORTON. How about in Mexico and the Caribbean, in these countries that are the most direct importers, Colombia—the most direct importers to the United States? Do we have human intelligence helping us to, on the ground, to figure out what is happening?

Mr. PLACIDO. Yes, ma'am. We do, in fact, have human intelligence. The largest DEA presence outside the United States is in Latin America, specifically in Mexico and Colombia. And increasingly, we are working with our counterparts in the intelligence community—DEA has made a move to rejoin the intelligence community—to make sure when we are debriefing sources about drug trafficking, that we're also asking additional questions about terrorism. We're not trying to expand our mandate, we are the only single mission agency in the government dealing with drugs, but by taking 5 minutes extra during a debriefing, we can ask additional questions and get that information to the agencies that do have primary jurisdiction for terrorism.

What I can tell you is that the interagency assessment of the use of drug trafficking to fund terrorism, the assessment is that the connection between drugs and terror is, quote, infrequent and opportunistic, with the exception of the FARC and the AUC in Colombia, and, to a lesser extent, also in Peru. However, we're very concerned and we're trying to develop a sense of warnings and indicators that would alert us to any change as this develops.

Clearly we are very much dialed in to the possibility of the southwest border being used as a route to move either people or weapons of mass destruction into the country. It is, however, counterintuitive to think that drug traffickers would intentionally go into the WMD or terrorist business, as that would likely invoke a response that would cut into their profits. But we know that people don't always operate in logical ways, and there are indicators, certain key extraditions, arrests, murders must force certain traffickers to operate in ways that are illogical.

In addition, we frequently see cover loads; there are different rates to smuggle heroin and cocaine, and they will commingle to try and get a better break on smuggling certain commodities in. Substitute anthrax for heroin, and you can unintentionally smuggle WMD into the country. It is a point of real concern. And I think if one thing has changed since September 11th, it's that while we don't want drugs to continue to flow across our borders, we don't want any weapons of mass destruction or terrorists. We've got a zero tolerance level.

Ms. NORTON. Mr. Chairman——

Mr. SOUDER. Ms. Norton, can I followup with——

Ms. NORTON. Yes.

Mr. SOUDER. Directly on the Mexico question. In the States immediately crossing the U.S. border, DEA had pulled out from some because of the danger to agents. Are you back in on most of those across the border? What is our current status direct along the border, as opposed to Mexico City and more inland?

Mr. PASSIC. Every office that we have along the border, there are currently three, is back at its normal staffing level. Periodically, the threat level has peaked and we've moved people out. That has typically been for a couple of weeks at a time when there is a specific threat. But more importantly, I'd be glad to take you off line, some recent developments in Mexico. They are very optimistic as far as future cooperation. I just made some promises not to discuss them in public at this point.

Mr. SOUDER. With that caveat, do you believe there has also been progress made in the Cancun area in Yucatan Peninsula, which also had great chaos?

Mr. PLACIDO. That continues to be a major staging area for drugs coming into the country. You will recall in, I believe, 2001 the former Governor of Quintana Roo, the State in which Cancun is located, was arrested. He was involved in very high level corruption for the Carrillo Fuentes organization facilitating the flow of drugs into that area. That part of the country still remains a very significant port of entry for drugs that are coming from South America and being staged in Mexico.

Ms. NORTON. Mr. Chairman, I had no more questions. I do want to say that you don't need to be an ordinary smuggler and decide to go into WMD business, the weapons of mass destruction business. I mean, these smugglers deal through intermediaries so that nobody knows who is working for whom. And to the extent that somebody gets a cut of somebody's business, the only way—and gets into their business—they don't have to know it, which goes back to my point about the only way you're going to know it is it will be people on the ground, I mean, human intelligence on the ground who will ferret out those connections—I hope I don't sound like some movie that I recently saw, because that is not what I had in mind.

But Mr. Chairman, I must say that I believe that, leave aside terrorism and the need for human intelligence, I cannot help but believe we would be doing a much better job in combating trafficking of drugs, period, if we had more human intelligence. But I have no sense of how much, how deeply it is used, how much it is used. And I was pleased to hear what you said.

But it just seems to me that, with what we believe human intelligence can do, that if it were really being widely used in the trafficking business, that we would have a much better chance at knocking out large operators than we seem to be able to do.

Thank you, Mr. Chairman.

Ms. WATSON. Mr. Chairman.

Mr. SOUDER. Thank you, Ms. Watson.

Ms. WATSON. Thank you very much, Mr. Chairman. I appreciate your sensitivity to the issues that you have been bringing up in our subcommittee.

And one element that seems to me completely missing from this discussion is the role of the State Department in our diplomatic service. And I don't think there is anyone here on the panel that represents those areas, but let me just say this and get it off my chest.

If we were truly to shut off this avenue and better secure our southern border, we must do more to engage the Mexican government and support them in efforts to improve the administration of justice in our country. The combination of Justice, Homeland Security and the State Department will send a resolute and unified message to the drug cartel. It will also cover all the different aspects of government necessary to combat illicit drugs. But what really comes to mind is supply and demand. Nations and States are financing their budget through the sale of these illicit drugs. Now let me give you a case in point and bring it closer to home.

I represent an area in southern California. It is very simple for terrorists who are people who come over from Mexico and fit the profile of what a person from Mexico should look like. And there is no question in my mind that they're not residing right in Los Angeles today.

I found a gun shop in my district that has been operational for 15 years selling guns to foreign governments, to the military, to the police. We've been trying to close it down. They're out of compliance. So Mr. Torres, I called ATF and U.S. Customs. I also put an amendment in the gang bill to increase Border Patrol, to increase agents, because the word back to me is we don't have enough people in the field to investigate and to move any quicker.

So this hearing, Mr. Chairman, and the way it was written it says to examine cooperation among agencies. Unless we can all start working together, we're never going to—and have enough staff, personnel out there—we're never going to get a handle. Because as I look at the numbers there, and that's, I guess, the amount that they were able to collect, think about the drugs that come over the border, carried by ponies that they can't touch. And I believe somebody sitting on the 40th floor of corporate America is in cahoots because this is all driven by money.

Now here is my question to anyone that wants to answer. How can we get all of the agencies involved to cooperate? When I give a call to ATF, to Customs, I want immediate turnaround because I'm talking about something I know and see all the time. The way it came to my attention was that there was a demonstration by gangs in front of this shop. I wouldn't be surprised if narcotics are moving in and out of there. And I can't get anyone to really take action. And so they smuggle over the border because there is a tremendous demand. I can't get the police to investigate, I had the mayor out, I had the councilman out and so on, but I can't get these agencies moving because it's not a top priority.

So if we're looking at terrorism and the means to bring it about, weapons of mass destruction, we need to look at a better way that we cooperate among agencies, and when we give you a tip, that you cooperate with us.

Mr. Torres, can you tell me why it has taken so much time for U.S. Customs to get the guy out because he doesn't conform to the local ordinances, and they tell me he has to break down his weap-

ons in a certain way? And I know the gang members know how to put a gun at his head and say give us every weapon you can. And the murders that go on in my district go on because somebody cut the deal and didn't hold up their end of the bargain in terms of drugs. So how can we cooperate, get you to cooperate with other agencies?

Mr. TORRES. I would be more than happy to meet with you to get the specifics of the case so that we can refer that to our office.

Ms. WATSON. Please do. I mean, I've been on the phone since March 5th.

Mr. TORRES. And regarding the gangs, I can assure you the gang enforcement is a top priority for us, as is narcotics trafficking and human smuggling. So if there are violations——

Ms. WATSON. We can't even close the violators down in my district, can't even close him down.

Mr. TORRES. We would definitely like to work with you and get that information.

Ms. WATSON. I'll see you outside the door.

Mr. TORRES. Very well.

Mr. SOUDER. Any further questions?

Ms. WATSON. No.

Mr. SOUDER. I wanted to followup on the border strategy question, because one of the fundamental things is to try to get a comprehensive border strategy. I wanted to ask Mr. Passic and Mr. Torres whether the Border and Transportation Security Directorate approve of your efforts to develop a border strategy, or is it being blocked? Is it moving ahead? I believe that Mr. Passic said you thought something was moving, and hopefully in a couple of weeks. Are you feeling resistance in the Department? What is taking so long?

Mr. PASSIC. No. I think when we initially were asked to participate in this thing, we thought it was a great opportunity. We want to turn those seizures, those numbers into a gear that fits into a machine that impacts pain on traffickers. And we saw this as a great opportunity to build in an engine that included all of us instead of seven or eight different engines puttering around as we often do. So we did what you did; we went down to the border, we took a look at all the operations, we came up with 11 action items that we thought we could do a better job to include working with the Mexicans on flights landing short of the border. And we put that list of things we thought we could contribute on the plate of BTS with our colleagues from ICE. And from what I understand one of the holdups is, other elements have said geez, we'd like to throw a couple of our ideas on that thing, too, to make it even more meaningful. So from what I've heard, that's the hangup.

Admiral Utley can probably jump in there.

Admiral UTLEY. Basically this is an administration-driven issue. The NSC, in conjunction with ONDCP, chairs an international drug control policy coordinating committee, the PCC. The administration, at the highest level, as in the President, said we've got to get a handle on the southwest border. The fact that there is as much narcotics coming through here as they are indicates that it is pretty porous, and what does it say for our controlling border?

Mr. SOUDER. They just discovered this the last month, or the last 3 months ago or 10 years ago? With all due respect.

Admiral UTLEY. It was passed through the PCC to do this perhaps the latter part of last year, latter part of last year. And it came to be that the rose is pinned on BTS through CBP, because that's who controls most of the southwest border.

DHS says, well, you know, having a drug control strategy, an immigration strategy and a counterterrorism strategy doesn't make a whole lot of sense, you probably ought to wrap it all together. Through this PCC a sub PCC was stood up with USIC and ONDCP as a lead to do the counternarcotics piece. There is no obstruction in there; it is a coordinating thing because it's larger than DHS. This strategy is coming through the White House, may end up with NSPD. There is a good possibility of this, but it has to be interagency, it has to be larger than BTS and larger than CBP and larger than DHS. That's what is taking—the core is being developed within DHS.

The interagency process is slower than we would all like it to be, and no one is holding it up or holding it hostage; it's the coordination mechanism that we're pushing, and we're optimistic that we will have it sooner rather than later. I know you're asking for a date, can't give you one.

Mr. SOUDER. How about if I ask you for this; since I'm in my 11th year of Congress and have served on this subcommittee since the start, when we started getting involved in narcotics, when Bill Zeliff was chairman, and 11 years ago raised to a previous administration in their first term about putting together a southwest border strategy. Then General McCaffrey, as ONDCP director, talked about when the speaker headed this subcommittee and he talked about a Southwest border strategy. How about we start with this; when is DHS going to have a date for its southwest border strategy, and DEA going to have a date for its southwest border strategy, and the DOD for its—and then once you each get one, then we can maybe get them together.

But if we never start with anybody getting one done, then we don't have a way to integrate them. And where in the world is ONDCP, since we have been asking them for 11 years for a coordinated—now we have a southwest border HIDTA, it's not like we don't have any strategy. What we don't have is an integrated strategy.

But it seems to me that the new player at this, because you have merged multiple agencies, is DHS. So that if you get a date certain for a DHS southwest border strategy, then we can put it together with the others, but if everybody is going to wait until the next one gets done, this is what we've been doing for over a decade since I've been here.

Admiral UTLEY. What you have outlined is exactly what's going on. I probably didn't explain it as well as I should have. The other agencies are putting together their counternarcotics piece of this as well, and it will be melded together. You're right, it doesn't have to be in series, it can be in parallel, and that's what we're trying to do.

Mr. SOUDER. OK. Let me ask you about the Department of Defense. They're proposing the possibility of changing JTF North to

A JATF, a joint agency operation. Do you feel DOD should be the lead agency to provide command and control support to counterdrug along the border?

First Mr. Utley, then Mr. Placido, Mr. Passic. Mr. Torres, if you would have a comment on that, too.

Admiral UTLEY. I don't think it should be DOD-led. It probably should be, I would say, DHS lead only because—I mean, a huge player is going to be DEA. But what DOD brings to the table is their pipes—and I'm talking about the things for communication and for intelligence—and huge infrastructure in knowing how to manage big things. And it's not—we would certainly welcome help in this effort with DOD, but it should not be DOD-led.

Mr. SOUDER. Mr. Placido, how does the DEA feel about it?

Mr. PLACIDO. I would concur with Admiral Utley——

Mr. SOUDER. That it should be DHS-led or that it should not be?

Mr. PLACIDO. It should not be DOD-led. I reserve judgment as to who should lead it. I don't think that necessarily should be DEA. I think drugs are a subset of the southwest border, as opposed to being the whole thing.

What I will say is that, while we've had very good success with the Joint Interagency Task Force South, which is in Key West south, and west in Honolulu, there are some fundamental differences about what's being proposed along the southwest border, not the least of which is that Mexico has—they're very prickly about sovereignty concerns. And what JATF South and JATF West can do may not be possible over the territory of Mexico. Also, on the domestic side, as JATF North, if it were stood up, would be in the United States, you would have a whole series of issues with posse comitatus.

So I think they could be a very important partner in supporting this thing, but they should not lead it.

Mr. SOUDER. Mr. Passic, do you agree?

Mr. PASSIC. Yeah, it's a law enforcement mission, not a defense mission. There are elements of defense in there, and we want to partner up with them, we don't want to discourage them from integrating with us. But I'd just like to mention something about the strategy.

When we looked at our components, that didn't stop us from moving forward to implement them. We've already started down the road doing that because we want to make sure that we're doing the best we can with our organization right now as the paperwork gets processed at higher levels.

But we would like to make things work that are there better, and it should be a law enforcement function mission led.

Mr. SOUDER. Because one of the challenges, we will all be awaiting to see whether, in fact, some of the rivalries between the agencies and among the agencies can be kind of put to bed, because you not only have yours, but you have the HIDTA, the southwest border HIDTA, which presumably would be involved in this. ATF—Ms. Watson was just talking about ATF is going to get involved in certain of these violations, clearly ICE inland in the investigations, air and Marine, wherever they are located, are both all the way from Colombia up into the United States. But I'll tell you, there is a level of frustration in Congress that's building, that if it doesn't

get organized between the other agencies, DOD is just going to take it over. They're bigger, they have more money, they have lots of resources, you use a lot of their intelligence already.

We're seeing this in the security of the Capitol building, that the question was, everything you just raised on the border you would think would be doubled here in Washington, DC, yet clearly since DHS doesn't have a clear internal policy as to how we're supposed to be protected in this Capitol building, and Secret Service is involved in this. And DOD, at the end of the day it was an F–16 that came up over the Capitol building that took command at the end of the day, that the posse comitatus question can be addressed through Guard, it can be addressed through how the risk is defined.

And I have been one, while trying to make sure the Defense Department stays involved in the narcotics issue, for example, in Afghanistan, where it's totally interrelated, to have some concerns about the southwest border. And I believe that all you agencies, if you get organized, should, in fact, be that, given especially the problems with Mexico and their concerns about the U.S. military, not that they would have any historic concerns about the U.S. military in their territory, that it would seem to be a law enforcement function.

But as you can tell each year, the votes for putting more military on the border because of a frustration about the lack of the law enforcement agencies to address it, the effectiveness of the other JATFs, and who has the most intelligence information and equipment, watching how we battled through the 9/11 Commission report, and the strength of the DIA and the intelligence in the military with that means that while all this nice kind of intramural jockeying between the different agencies and who's going to have control of what along the border will get lost if DOD gets at the table because you all just may get squished.

So speed is important here. I understand it's frustrating, I understand that, but it's not like we haven't been waiting for some time.

Do you have any questions, Ms. Watson, before we——

Ms. WATSON. I have tremendous frustrations because, again, representing a State from a State that's right on the edge of the ocean, with all kinds of ports, we don't have the resources, and they haven't come through the channel yet to give us the kind of security that we need. And the reason why I amended the bill on gangs where there's going to be a big effort across the country to go after these gangs here in our own land, I think that there is a tremendous threat on the border.

Now, these self-professed volunteer border guards, the vigilantes, are not the answer. And I really would like to see military—I mean, during this time when we were trying to build a network, we need our military with us. And I think military and additional border guards, and maybe for just a period of time, could do a lot to seal off that border, both from the southern end of my State and the United States, and from the ocean as well. And so this is a comment.

My frustration is that I don't see the working together of all these agencies. I see it's the same as it was prior to September 11th. People hold onto their turf, and in holding onto their turf

they allow for gaps in the chain. And I don't feel any safer today, my people don't feel any safer today than they did before we had the establishment of the Department of Homeland Security. So unless we can do something dramatic where the country can see that we really are serious about protecting our borders, I think we drift, and we offer an opportunity for the terrorists to really get a foothold.

And as I said before, I have no doubt that they're already here. We've never found out the origin of anthrax, the mailing of anthrax here. And while we are, you know, throwing money into a deep dark hole, which shall remain anonymous, we're suffering here at home.

And so I would hope that the various departments and agencies could, when together, come up with a proposal that says we're cooperating, we're using the intelligence that was asked for by my colleague, and we're using every means we can, and we're using DOD not to lead it, but to lend to your efforts. We have to be serious about protecting our borders, and we just need to do something immediately and dramatic to do that. That's a comment.

Thank you very much, Mr. Chairman. And again, I want to thank you for holding these hearings.

Mr. SOUDER. Thanks. And one of the great things about our study hearings is we have had bipartisan support and aggressive bipartisan support by people like Councilman Watson, who have been active at the State level for some time. Elijah Cummings in Maryland was a State legislator before he came here. Mr. Ruppersberger was a prosecutor. And it's really great. And for those of you who have worked in the drug area and all of a sudden see bipartisan consensus again, it seems like we kind of come and go on our focus on the drug war, and yet, because it could be gangs for a while here, missing children over here or Iraq over here, but the fact is it is a cause—every community in the United States, 70, 85 percent of all crime, including child support, is drug and alcohol related.

And it is something that everyday new people are exposed, we just have to stay at it. And this new focus on the southwest border is exploding. We are about to vote on CAFTA, which, to many Americans sounds an awful lot like NAFTA, which to many Americans they weren't really thrilled about. The administration is very concerned about that vote, so it has also heightened the border question. Clearly it's been in the news a lot and the border question, and this is exploding. I don't disagree that the President himself is extremely focused on this for the first time in some time.

And now we need to move aggressively in trying to coordinate the narcotics efforts on the border with the human trafficking efforts on the border and the terrorism, because what we all know is we shut down other financial opportunities, they have to come up with their money in some different ways. And the more skilled organizations are going to be the ones that are going to survive. And they're going to wind up, if not directly merging, at least have different divisions that are successful in ways that move around it. And we have to get more sophisticated as well.

Many Members are on the floor today concerned about what the administration is doing in meth, and I want to insert in the hear-

ing record here the Mexican connection to the methamphetamine problem in the United States from the Oregonian newspapers by Steve Soul. He has raised repeatedly, the Mexican government is now acknowledging that there is roughly now 150 tons of meth precursors, the pseudoephedrine coming across the Mexican border, of which the testimony today suggests we're getting maybe 20 million tons of that 150 million. The DEA and Department of Homeland Security took down a huge bust in Detroit that seems to have dented it coming through the north, but now we're having it explode through the south, coming from India and China and major manufacturing.

So when people talk about the meth problem, it's still heavily a border problem because as the mom-and-pop labs are starting to decline in the United States, there never were more than 30 percent, we're seeing it substituted with the super lab stuff, and once again we're right back to the border again. So we clearly have to look as it as far as meth as well.

I had an additional question, it was directly related because one of the things a number of us are working on in a number of different committees right now is how to deal with the smuggling operations. And Congressman Issa last week, when Secretary Chertoff was testifying, said that the U.S. Attorney in his area was not taking up some of the cases of the coyotes, who are the smuggling operations. And maybe Mr. Torres, you could directly answer this.

Do you see that in other jurisdictions as well? And is it because the enforcement penalties aren't worth the effort for the prosecution? Is it that there aren't that many cases? What are you seeing in this kind of human smuggling, human trafficking lack of going after some of these organizations? What is the biggest need and what is the biggest way that we can help?

Mr. TORRES. One of the concerns that we've seen over the years has been addressed in the form of a trafficking act that was passed several years back, so it raised the penalties for human trafficking. That did not correlate to human smuggling, only to those that were being smuggled in the United States through force, coerce or deceit, and then being held against their will in the form of the title 181590 statutes for trafficking.

When looking at smuggling, there is an opportunity to go for an upward departure for enhanced penalties, only as that relates to the potential serious injury or death of the people being smuggled into the United States. And as you are aware, what happens with that is you have to wait for someone pretty much to be seriously injured or to be killed in the process of being smuggled before you can actually use those enhancements, as opposed to those penalties being higher than the standard 5-year felony, of which may result in a 1 or 2-year Federal sentence, depending on the crime.

If you're looking at the standard drivers over-the-road smuggling on the southwest border, that happens quite frequently, especially if you're looking to focus on smuggling through the ports of entry or through the airports, then they're forced to smuggle people over the road. And ultimately what happens is you end up arresting a lower level person who was a driver, who was driving a rented van or a lesser quality type vehicle, and so you're really not working

the organization. That becomes a lower priority case for the U.S. Attorney's Office to prosecute because it gets back to, well, if you are going to prosecute a low-level coyote case, what about the drug smuggling cases and what about the other Federal crimes that are out there, bank robbery, etc?

So that is a particular issue in some areas, depending on whether or not the area of the country that you are looking at and whether the resources are there in the U.S. Attorney's Offices, that is an issue that we see.

Mr. SOUDER. We appreciate your help as we move to legislation that a number of us are working with and may, in fact, become an administration position rapidly. And we want to make sure we do this right. But if you can—it's been very helpful the way you define how trafficking law is currently applied, and what some of the difficulties that are. But if you could also ask someone in your office and figure out who the best people are to help us with the different legislation on what the penalties should be on the human trafficking relating to smuggling, what size groups, what you're seeing around the United States, where it's being done and not done and what the tradeoffs are that they're making, whether, in fact, some of this may be related to we don't have enough space to put people if we convict them, it may relate to not enough U.S. Marshals, U.S. Attorneys.

In other words, you have to have a support system if you're going to pass a law off, and we in Congress don't do that, we pass the law but not the support system, and then force the decision at the U.S. Attorney's Office.

Another relationship to that would be, do we have penalties in human trafficking, i.e., smuggling in this case of large groups, for the people who lease the vans, who provide the jobs, who provide—the travel agencies that are providing the—seeking the people in the community illegally. In other words, rather than necessarily focus on picking on the poor individual worker, can we have tougher penalties for the people that are bringing them in in droves? And then actually, in my opinion, work out a responsible immigration work permit policy. But what good does it do to have a work permit policy if you don't have control of the border, if people can make their green cards, if people can get around this system, it won't do us any good to change the immigration policy, because there is no motive to go into a work permit if, in fact, you can get an illegal green card and there is no penalty for it, or a minimal penalty, or that we're so backed up nobody will take the case.

The other question I asked you, before the hearing started, I want to put on the record that we would also like to work with is the question that Congressman Reyes raised, which is for non-Mexican illegals, when a Mexican comes across the border, if they don't have criminal activity other than violating immigration law, they're deported back to Mexico.

But if they are not from Mexico, the question is, what happens to them? Are they out on their own recognizance? Do they get detained, which is a matter of how many places detain? And then do they make bond as you mentioned to me? And what is the extent of this problem? At San Ysidro, when we got the statistics there for the earlier part of this year—and while we were there, they picked

up Brazilians. What happens to the Brazilians? You can't put them back to Mexico. That's not where they're from. Eventually, we send them back. So do we release them? We may have held them for a couple hours. And then, if we release them, do we have statistics of how many actually come nice and orderly to their deportation hearing? What about the 130 that came in from countries of interest, i.e., countries on the terrorist list, who weren't on a watchlist so we released them on their own recognizance? We didn't really have any grounds, but clearly, there is a flaw in this system in the sense of counting on them to self report, especially if while they may not have been in our watchlist system, they may in fact be an embedded person who is coming in. They may just be somebody wanting a job, but they may in fact be an embedded person. And we are so focused on Mexico that many of us have totally forgotten that there is about 10 percent of the people coming across the border who we can't immediately deport back to Mexico. And what are we going to do with that? And that is one of the things we are looking at in our legislation, too.

But thank you very much for being with us today and sharing any additional information we want you to give to us. We may have a few more written questions. It has been very helpful as we continue to move for aggressive strategies, and hopefully you will in your agencies even outstrip the enthusiasm of Congress in trying to address the border enforcement. With that, the subcommittee stands adjourned.

[Whereupon, at 4:02 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

Questions For the Record
House Government Reform Subcommittee on Criminal Justice, Drug Policy & Human Resources
"Threat Convergence Along the Border: How Does Drug Trafficking Impact Our Borders?"
June 14, 2005
Office of Counter Narcotics Enforcement
Acting Director Ralph D. Utley RADM USCG

1. Agencies within the Departments of Homeland Security and Justice have been standing up new "intelligence centers" for agency usage, but have not electronically connected those centers or share the Intel they find with other agencies.

1A) Are you planning any new initiatives to improve inter-agency intelligence sharing and analysis within DHS and DOJ?

Response 1A
The Department of Homeland Security (DHS) is pursuing several initiatives to improve inter-agency intelligence sharing and analysis. DHS has forward deployed intelligence analysts with both Intelligence Community (IC) partners (including the National Counterterrorism Center (NCTC), the Federal Bureau of Investigation (FBI)), and the Terrorist Screening Center (TSC)) and others to ensure that the Department's partners have the benefit of the Department's expertise in border security, transportation security, infrastructure security, and maritime security intelligence.

Additionally, the Information Sharing and Collaboration Office (ISCO) within the Department's Information Analysis and Infrastructure Protection (IAIP) Directorate, coordinates and facilitates efforts throughout DHS and with customers and partners, particularly the Federal, State, Tribal and local government, and private and international sectors, to effect change and improve information sharing and collaboration to secure the homeland. ISCO is creating enterprise-wide standards for Information Sharing and Access Agreements involving—

- IAIP with U.S. Customs and Border Protection (CBP), U.S. Citizenship and Immigration Services (CIS), U.S. Immigration and Customs Enforcement (ICE), and the Transportation Security Administration;
- Transportation Security Operations Center (TSOC);
- US-VISIT with ICE and NCTC;
- DHS Geospatial Management Office;
- DHS and the Department of State;
- U.S. Coast Guard Investigative Services and CBP;
- Homeland Security Operations Center (HSOC);
- NCTC and the Department of State, CIS, and CBP; and
- DHS and the FBI.

1B) How compatible are your intelligence data bases?

Response 1B
The Office of Counter Narcotics Enforcement does not have access to any intelligence data bases, due to the lack of classified-level computer connectivity.

1C) Is the Office of Counternarcotics Enforcement working to rectify this situation?

Response 1C
The Office of Counter Narcotics Enforcement is currently evaluating the benefits of installing computer hardware and software to enable the Department's Counter Narcotics Enforcement Officer to monitor current intelligence and statistical data related to the drug trafficking threat.

2) What is the current status of the Border Interdiction Support Center (BISC)?

Response 2
The Department is considering a BISC-like organization to better integrate and enhance interdiction operations along the Southern border. However, the discussions are still in the pre-decisional planning stage. No decision has been taken to move forward with the concept, and no decision has been made on where to house a new center, should the Secretary decide to move forward. In addition, the IDC-PCC is coordinating a proposal to establish a formal information sharing system to integrate the intelligence efforts of EPIC, BORFIC, and JTF-North.

3& 3A) What agencies are currently working on developing a border strategy? Is this a joint DHS/DOJ project or DHS only?

Response 3& 3A
The National Security Council and the Office of National Drug Control Policy, under the auspices of the International Drug Control Policy Coordinating Committee (PCC), have formed a sub-PCC to develop a Southwest Border Counterdrug strategy. The effort is well underway and has participants from across the entire counterdrug community, including the Departments of Defense, Homeland Security, Justice, State, Treasury, and the intelligence community.

3B) Is the office of United States Interdiction Coordinator involved in the process?

Response 3B
Yes. The interagency sub-PCC is co-chaired by a senior member of ONDCP's Office of Supply Reduction and the Executive Director of the U.S. Interdiction Coordinator Staff.

4) Is the Tethered Aerostat Radar System (TARS) still a viable system for tracking smugglers along the southwest border?

Response 4
Yes, the Tethered Aerostat Radar System (TARS) is still a viable system for detecting and tracking suspicious air targets along the Southwest Border. The six TARS sites, currently

deployed along this border, provide the only persistent capability to detect low-flying aircraft illegally attempting to enter the United States from Mexico.

Q03007: 4A) What agencies benefit from the TARS program?

Response 4A
The TARS program provides data feeds that support the air defense operations of the following organizations: DHS Air and Marine Operations Center (AMOC), Joint Interagency Task Force South (JIATF South), Caribbean Air and Maritime Operations Center (CAMOC), NORAD's Western and Southeast Air Defense Sectors, 1st Air Force Continental United States NORAD Region (CONR), and NORAD's Cheyenne Mountain Operations Center.

Q03008: 4B) Should the program continue to be run by the Department of Defense or run by DHS?

Response 4B
The Department of Defense remains to be postured as the Federal department with the best existing program management capabilities to manage the TARS program. The viability of this program is assured by the commitment made by the Deputy Secretary of Defense to maintain the TARS in the Department's counter narcotics program.

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

December 22, 2005

The Honorable Mark Souder
Chairman
Subcommittee on Criminal Justice, Drug Policy,
and Human Resources
Committee on Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Please find enclosed responses to questions directed to DEA Assistant Administrator for Intelligence Anthony Placido after his testimony at the Subcommittee's June 14, 2005 entitled "Threat Convergence Along The Border: How Does Drug Trafficking Impact Our Borders?"

Please do not hesitate to call upon us if we may be of additional assistance. The Office of Management and Budget has advised us that from the perspective of the Administration's program, there is no objection to submission of this letter.

Sincerely,

William E. Moschella
Assistant Attorney General

Enclosure

cc: The Honorable Elijah Cummings
Ranking Minority Member

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES
COMMITTEE ON GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
QUESTIONS FOR THE RECORD
FOR
ANTHONY PLACIDO
ASSISTANT ADMINISTRATOR FOR INTELLIGENCE
DRUG ENFORCEMENT ADMINISTRATION

Threat Convergence Along the Border:
How Does Drug Trafficking Impact Our Borders?
June 14, 2005

1. **Agencies within the Departments of Homeland Security and Justice have been standing up new "intelligence centers" for agency usage, but have not electronically connected those centers or shared the intel they find with other agencies.**

Comment: The only new intelligence center within the Department of Justice (DOJ) is the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center (OFC). Resources for this center have been appropriated by the Congress to develop a common data warehouse of information pertinent to the investigation and prosecution of major drug trafficking organizations targeted by the multi-agency OCDETF program. DOJ's Executive Office of OCDETF and U.S. Immigration and Customs Enforcement (ICE) continue to explore options to allow for information to be shared with OFC while maintaining the integrity of information ICE maintains. Within the OFC there exist agents, analysts, and other support personnel from all OCDETF Program participants. The OFC will attain Initial Operating Capacity during FY 2006.

We are not in a position to comment on DHS's plans for any new centers except for the cooperative activity that is underway between the multi-agency and DEA-led El Paso Intelligence Center (EPIC) and the U.S. Customs and Border Patrol's Field Intelligence Center (BORFIC). (*See* below). However, DOJ is assisting, though its Law Enforcement Information Sharing Plan (LEISP) and GLOBAL initiatives, in the development of standards for State/local fusion centers that are being established throughout the nation with DOJ and DHS resources. Connecting/leveraging these centers with the appropriate federal assets is important to the goal of enhanced information sharing. The National Virtual Pointer System (NVPS), also part of DOJ's LEISP, now operates in 20 states, deconflicting participating agencies' targets for all criminal activity. Expansion of this initiative will provide minimally intrusive, but effective information sharing among participating agencies.

a. Are you planning any new initiatives to improve inter-agency intelligence sharing and analysis within DHS and DOJ?

Response: The most extensive initiative underway is the effort to attain Initial Operating Capacity in the OFC in 2006. Providing all elements of DHS choose to participate in this endeavor, we will attain broad sharing and common analysis of important investigative information.

A second initiative involves the establishment of the Tri-Center Collection Requirements Tiger Team — a multi-agency effort among the Tri-Centers EPIC, BORFIC, JTF-N, plus JIATTF-S, and AMOC. They have developed a common Request for Information (RFI) form and established protocols to gathering information in a coordinated manner. This initiative is in its infancy, but it holds much promise for the future.

Another initiative within the Department of Justice is the "One DOJ" effort, being developed under the LEISP. On August 31, 2005, the five investigative components of the DOJ (ATF, BOP, DEA, FBI, and USMS) signed an MOU to establish the "One DOJ" system, which will consolidate full-text investigative reporting from many open and closed investigations into one data system that will be accessible and searchable by all components. In addition, the "One DOJ" system will be conducting a pilot with a state and local sharing initiative in the State of Washington (Law Enforcement Information Exchange (LInX) Northwest). Through this pilot, federal, state, and local law enforcement personnel will be able to access one another's data via secure Internet connections. This pilot project began in August 2005 and will last for a minimum of one year.

EPIC is also close to initiating its OPEN CONNECT project with state, local, tribal, and federal agencies. Certified users from all of these agencies will be able to query the EPIC data bases electronically and receive responses that will be both more timely and more thorough. It will be a model for extensive sharing of information through widespread access while ensuring that issues of officer safety and operational de-confliction are adequately addressed.

b. How compatible are your intelligence data bases?

Response: The Department of Justice has promulgated policy requiring that data bases be Global/Justice xml-compliant in order to facilitate the merging or the querying of disparate data bases. But the degree of compatibility is very much a situation-by-situation determination. For example, the technical resources available to the OFC will eventually result in a very high level of compatibility among databases. In most cases, however, the compatibility issues are resolved through a Multiple Data Base Query (MDBQ) process.

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?"

June 14, 2005

QUESTIONS FOR THE WRITTEN RECORD FOR GREGORY PASSIC
DIRECTOR, OFFICE OF DRUG INTERDICTION,
CUSTOMS AND BORDER PROTECTION

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1. **Agencies within the Departments of Homeland Security and Justice have been standing up new "intelligence centers" for agency usage, but have not electronically connected those centers or share the intel they find with other agencies.**

   a. **Are you planning any new initiatives to improve inter-agency intelligence sharing and analysis within DHS and DOJ?**

The Department of Homeland Security developed the Homeland Security Information Network (HSIN) in order to meet the following mission requirements to provide a user-friendly, secure, and effective medium for the timely sharing of relevant and lawfully disseminated information between governmental entities at all levels (Federal, State, Tribal, Local, and Territorial), Private Sector organizations, and International partners. The HSIN system will also provide a secure and effective vehicle for collaboration among those entities. This will enhance their combined effectiveness in preventing and responding to terrorist attacks and preparing for and responding to natural and man-made disasters.

Since 2004, DHS and DOJ have been working together to develop the capability to share counterterrorism and homeland security information, unstructured data (e.g., discussion lists, requests for information (RFIs), situational reporting, "chat rooms") and database information. Ideally, each community's users will have access to other community product without leaving their tool of choice. The respective user communities expect products to be collaboratively produced, coordinated, and shared. Unfortunately, due to the nature of each system's current capabilities and technology, HSIN must establish interoperability to the other systems in two different, but very feasible, implementations. A six to nine month plan to share all CT and HS-related information, to include sharing existing toolsets and establishing levels of collaboration between the user communities and systems was developed. At the same time that these near term improvements are made, plans to

integrate data structures and architecture, and implement emerging technology standards will put both Departments on the right path for the future. By creating a robust service framework to be shared between DHS and DOJ, and ultimately to be leveraged by our State and local partners, the Federal government can provide the level of information sharing and collaboration required to secure the homeland.

b. How compatible are your intelligence databases?

The primary unclassified database used by CBP is the legacy Treasury Enforcement Communications System (TECS). TECS provides authorized users throughout the Department of Homeland Security a uniform system for maintaining intelligence and enforcement files. In addition, records from the DOJ managed El Paso Intelligence Center (EPIC) are cross-indexed in TECS; and personnel at EPIC have access to the actual TECS databases. CBP routinely receives intelligence reporting from DOJ agencies and when this reporting contains information relevant to the CBP mission coordination is conducted to ensure it is captured in TECS. Similarly, CBP provides intelligence reports to a wide-ranging non-DHS audience and allows recipients to capture relevant information in their databases. CBP does not maintain a classified intelligence database; however, CBP analysts use and populate a number of interagency classified databases that are also used by DOJ personnel. For the most part, these databases are maintained by agencies of the Intelligence Community.

2. What agencies are currently working on developing a border strategy?
a. Is this a joint DHS/DOJ project, or DHS only?

As the primary agency with responsibility for enforcing U.S. laws at the border and preventing the entry of terrorists and terrorist weapons, as well as contraband (including drugs), CBP works with the Department of Justice on many issues relating to border security. Both DHS and DOJ are participating in a working group with the Office of National Drug Control Policy on a strategy for interdicting drugs along the southwest border.

Additionally, CBP, DHS Office of Intelligence and Analysis and other DHS components met with elements of the national Intelligence Community in late October 2005 to determine now to provide intelligence support to best leverage capabilities in the national intelligence and law enforcement communities, to better integrate and coordinate border security activities and to develop appropriate relationships relevant to an overarching border security strategy. A key outcome of this conference was that DHS has spearheaded an interagency "Intelligence Campaign Plan" to address multiple dimensions of border security including the use of National Assets to support border security efforts.

3. Has the CBP Arizona Border Control Initiative (ABCI) surge operation been a success?

Yes, The Arizona Border Control Initiative Phase II has realized numerous successes. The initial successes of ABCI 2004 and ABCI 2005 have established a foundation upon which to expand during fiscal year 2006, enabling tighter control of the Arizona/Mexico Border.

Notably, intelligence and arrest trends indicate that ABCI enhanced enforcement has forced smugglers to adapt to law enforcement strategies. For example, in the CBP Border Patrol's Tucson sector, the enforcement data from 2005 compared to the prior year demonstrate a degree of program success. Specifically, arrests were down twenty two percent; illegal border entries were reduced by twelve percent and marijuana seizures rose seventeen percent.

The increased traffic of the Yuma Sector, which indicates a shift of cross-illicit border traffic from Tucson Sector into Yuma Sector, is another indicator of the Tucson Sector's success. CBP anticipated this shift in traffic and has adjusted operations to address the additional traffic in the Yuma Sector. At the Yuma Sector, arrests rose by thirty four percent, entries grew by forty three percent, and there was a seventeen percent decline in marijuana seizures.

a. Has CBP coordinated their efforts with other DHS agencies? Other federal agencies?

CBP is working in close cooperation with other DHS agencies and federal, state and local law enforcement agencies. Prior to the initiation of ABCI 2004, the Chief of the Tucson Sector and other members of the BTS Leadership met with local, state, county, tribal and other Federal law enforcement agencies to explain the purpose of ABCI and solicited their cooperation. A planning cell was formed to bring all of the ABCI entities together to formulate an operations plan that would result in a seamless flow of cooperation for the coalition. These actions were duplicated prior to the initiation of ABCI 2005.

State and local law enforcement agencies?

At the state level, the Arizona BTS agencies participating in the development and implementation of the ABC Initiative include:

CBP / Border Patrol – Tucson	CBP / Border Patrol – Yuma
CBP / Field Operations – Tucson	ICE / Investigations – SAC Tucson
ICE / Investigation – SAC Phoenix	CBP / Air & Marine –Tucson/Phoenix
ICE Detention & Removal – Arizona	ICE Field Intelligence Unit – Tucson

TSA Phoenix Sky Harbor Airport TSA Tucson International Airport

Other federal, tribal, state and local agencies partnered with CBP include:

- U.S. Attorney's Office
- FBI
- DOS
- BATF
- IRS
- FPS (ICE)
- FAA
- U.S. Attorney's Office
- AZ National Guard
- County Attorney's Offices
- BOP
- USMS
- DEA
- DOI
- CIA
- AZ DPS
- FCC
- JPATS
- DOD
- AZ Attorney General
- Tohono O'odham P.D.
- Federal Air Marshall

CBP has also collaborated with the federal agencies of the Mexican government, including CISEN, the Mexican Consul and PGR.

b. How have the surge operations affected border operations along other border areas of the United States?

The most significant impacts to date as a result of the Arizona Border Control Initiative can be seen in the flanking Sectors of Tucson Sector (Yuma and El Paso). As stated above, the most significant shift in traffic has occurred in Yuma Sector. A comparison of Yuma's arrests in fiscal year 2004 to fiscal year 2005 to date shows arrests have risen forty nine percent (from 78,792 in FY04 to 117,054 for FY 2005).

As stated above, El Paso Sector has also seen an increase in illicit cross border traffic, although to a lesser degree than Yuma. The increase in El Paso is not sector-wide and is mostly limited to the Deming, New Mexico Corridor, which shares a common boundary with Tucson Sector. To date, El Paso has seen a fourteen percent increase in arrests from FY2004 to FY 2005: from 89,307 in FY04 to 101,418 in FY05. CBP pre-planned to address the anticipated increase in traffic in both Sectors, and operations to address the increase are ongoing.

c. Where did the extra manpower and assets come from?

The Voluntary Relocation Plan (VRP) has been used to enhance manpower in Arizona. Under the Voluntary Relocation Plan, the Border Patrol will solicit transfer requests from eligible Border Patrol Agents, allowing each to list up to five preferred duty stations. When a vacancy opens at a duty station, the Border Patrol will review the list of qualified volunteers for that station and make a selection on a seniority basis.

Redeployment of assets, including sufficient flexibility to address dynamic enforcement challenges, is critical to bringing operational control of the border. Air assets have been redeployed from Texas, North Dakota, New Mexico, Oklahoma, Florida, Louisiana, and California for ABCI-2.

The most significant impacts to date as a result of the Arizona Border Control Initiative can be seen in the flanking Sectors of Tucson Sector (Yuma and El Paso). As stated above, the most significant shift in traffic has occurred in Yuma Sector. A comparison of Yuma's arrests in fiscal year 2004 to fiscal year 2005 to date shows arrests have risen forty nine percent (from 78,792 in FY04 to 117,054 for FY 2005).

4. Is the Tethered Aerostat Radar System (TARS) still a viable system for tracking smugglers along the southwest border?

Yes. The Tethered Aerostat (TARS) program has been a tremendous asset to DHS and legacy US Customs since its inception in 1986. Prior to this low-level radar fence coming on-line, air smugglers flew almost unchallenged from South and Central America directly into the United States. When the TARS were first put in place in Arizona and New Mexico, the immediate increase in effectiveness of U.S. counter-narcotic efforts resulted in increased seizures from border crossers. Within the first five years, illegal air border crossings were greatly reduced with less than 50 for the entire southern border. As of 2004, there were less than ten suspect border crossers.

In addition to border crossing aircraft, AMOC continues to receive reports of visually observed, suspicious low-flying aircraft within the border environment. Between 2003 and 2004, an average of four targets per month was reported with AMOC having no correlating radar data. The majority of these targets were in areas not covered by TARS or during a time when TARS was non-operational

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a. What agencies benefit from the TARS program?

DHS Customs and Border Protection (CBP) is the primary end user of TARS data. Fed into the Air and Marine Operations Center (AMOC) in Riverside, CA, this information is used to monitor and respond to air incursions along the southwest border as well as in the Caribbean. The system also provides information on "short landings" in the northern states of Mexico, allowing for a cooperative response between the U.S. and Mexican authorities to interdict these efforts. When operational, it also acts as a deterrent to organizations considering illegal flights into U.S. territory.

b. Should the program continue to be run by the Department of Defense or run by DHS?

The Tethered Aerostat Radar System (TARS) should continue to be operated and maintained by the Department of Defense (DoD), however DHS should continue to work closely with DoD and the USAF on this important capability. The National Defense Authorization Act of 1989 made the Counterdrug Detection & Monitoring by the TARS the statutory responsibility of the Department of Defense. Additionally, in 1992 Congress assigned specific responsibility for funding and operations of the TARS to DoD by a separate statute and the US Air Force (USAF) was designated executive agent for system management.